



# ***JPRS Report***

# **East Europe**

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# East Europe

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### Views of Former Political Prisoner Lubonja

91BA0773B Copenhagen BERLINGSKE TIDENDE  
in Danish 15 May 91 Sec 3 p 1

[Article by Michael Kuttner: "An Enemy of the People"]

[Text] Tirana—A ration of 650 grams of bread, 10 grams of sugar, and seven grams of oil was all that socialist Albania doled out to Fatos T. Lubonja—every day for 17 years.

Lubonja was one of the country's most prominent political prisoners. He was released just before the election at Easter and is a living example that it is not necessary to die just because one is surrounded by horrors.

"I found out how to use my experiences," says Fatos Lubonja. "I considered them, analyzed both my own and other people's behavior patterns. I used my brain. And I did not feel desperate."

The now 40-year-old author is the son of former Central Committee member Todi Lubonja, who was denounced as an enemy of the people in 1973 by dictator Enver Hoxha. The father, who had been one of Hoxha's closest colleagues, had ideas that the president considered too liberal. He also wanted to open Albania up to the West, which was a crime back then.

Lubonja senior was sent to jail, but following Albanian tradition the rest of the family also came under a cloud. His son, an uncle and a brother-in-law followed him in behind bars. At the same time Fatos Lubonja's mother, brother, wife and two daughters were sent into internal exile in the provinces where they had to perform hard agricultural labor.

"I was a young author. At the age of 18 I had begun to write about the facts in Albania. I hated them. I wrote poems and novels, but they went no farther than my desk drawer. There they were safe—until my father was arrested. The secret police found them. They also discovered that I had talked to friends about Sartre, Camus, Dostoevsky, Kafka, Freud, and Nietzsche—all decadent figures. I was sentenced to seven years in jail and labor camp."

After five years Hoxha needed some accomplices in a show trial against two other top communists who had dared to write him a critical letter. Fatos Lubonja was accused of having taken part in a conspiracy from prison and was given another 18 years. The two letter writers were shot.

"Physically I survived because my family sold everything they owned and sent me money and food. I could not have managed on the fixed rations. Mentally I was able to accept my fate, to regard it as an intellectual challenge."

Today Lubonja lives with his 69-year-old father, who also survived, plus his wife and two daughters in his

uncle's house, which the family bought before World War II. The girls are 17 and 18 years old and hardly know him.

"Sometimes I sense that they love me as their father, at other times I feel like a stranger. Yesterday one of them said to me, 'We are not father and daughter, we are just friends.'"

Fatos Lubonja talks soberly and does not make grand gestures. "But I have my traumas," he admits.

He has started to work for Albania's new human rights committee and would like to write a psychoanalytical novel.

"I am alive and I want to do something. There were many others in jail who couldn't take it. They acted as if they were trying to escape. They were shot by the guards. But it was really suicide."

### Danish Reporter on Mood of People

91BA0773A Copenhagen BERLINGSKE TIDENDE  
in Danish 15 May 91 Sec 3 p 1

[Article by Michael Kuttner: "No Shortcut to Heaven"—first paragraph is BERLINGSKE TIDENDE introduction]

[Text] Tirana—Albania has a dream of paradise. It is called Europe and involves money, gifts, tourism. After decades of rigid Stalinist dictatorship the people are now drifting around in a political no man's land and practically the entire production apparatus is lying idle. Therefore it may be difficult to discern the general strike that will start this evening unless the government meets the trade union's demands.

"Europe, Europe, Europe," they chant, looking at the sky while standing in mud up to their necks.

Albanians have acquired a new mantra and they can say almost nothing else. Oh yes, the dictatorship has been thrown out, in a way, and one must be careful to avoid being run over in Tirana where some fifty new taxis have suddenly appeared and practice deadly driving maneuvers on the previously empty streets.

But otherwise everyone is waiting. For cigar-smoking capitalists from the West, for generous gifts from foreign governments, for wealthy tourists. For a miracle.

"We are like virgins," admits Luftim Ahmetaj of the new Union of Independent Albanian Trade Unions [BSPSh]. After 67 years of dictatorship, mainly under a communist control whose brutality surpassed that of Nicolae Ceausescu's terrorist regime in Romania, 3 million Albanians are walking around in a political no man's land.

The communists won three out of four seats in parliament in the relatively free election at Easter and have just formed a government. But hardly anyone seems to take Prime Minister Fatos Nano seriously, especially the

opposition: "We cannot accept him," says heart surgeon Sali Berisha, one of the two chairmen of the Democratic Party. "His conduct is Stalinistic," he states in his office on a dirty back street in Tirana's decaying inner city.

At the opposition newspaper RILINDJA DEMOKRATIKE author Prec Zogaj is settling in as director and publisher. "It is better to attack than defend oneself," he says and refers to the paper's revelations of the communist bosses' finances and articles about the tragic situation of political prisoners before their recent release.

### Strike Threat

Albania's tragedy just now is that no one is lifting a finger. The factories lie idle, farmers are withholding their products and the stores in the city are almost empty. "People have found out that they have been working their fingers to the bone for nothing," says journalist Ilir Ikonimi of Radio Tirana. "But now they get their pay without doing anything at all."

In the independent trade union, which by its own account has a quarter of a million members, they are ready with statistics: The average wage for a worker is 556 leks a month—120 Danish kroner according to the realistic black market exchange rate. A kilogram of meat costs 35 leks, a modest dinner at the city's best restaurant costs 50 leks.

"It is hard to imagine that a communist regime will listen to the demands of the workers. They have not done so for 46 years," says Luftim Ahmetaj, "why should they do it in the course of 46 days?"

Ahmetaj and his people do not trust the government an inch. Therefore they are counting on a general strike if, as expected, the government rejects the trade union's request for 50 percent wage increases.

The substantial demand is part of a larger package that BSPSh wants implemented. One of the things the trade union wants clarified is who was behind the shooting of four demonstrators in front of the local communist headquarters in the provincial town of Shkoder on 2 April.

"We are well aware that a general strike is the last thing we need," admits BSPSh chairman Gezim Shima, "but what else can we do? We have no other choice."

The trade union's deadline to the government runs out tonight. But will anyone notice a strike is going on when the factories are already empty?

"We have no other choice," repeats the union chairman, "and our members are impatient."

How will the government find money for wage increases when nothing is being produced and Albania's economy already lies in ruins?

"That is their problem. They are the ones who are responsible for this chaos," Shima says.

### Want To Work

The trade union was formed on 22 February and frankly concedes it has a lot to learn. A visiting westerner is greeted by eight dark curious faces whose owners would just as soon ask questions themselves as answers those of their guest.

We are offered coffee, which costs a fortune in Albania, and orangeade. The union people themselves do not want anything: "We have already had ours," they say and observe with satisfaction that the guests like the refreshments.

What do they have in mind? How can the vicious circle be broken?

"We must get western business people to come here," says Gezim Shima. "They can make use of the factories and pay workers in hard currency."

But why should western investors choose Albania rather than other more developed eastern countries?

"We have a beautiful country," says Shima, "and we want to work."

He answers honestly and with feeling, while the smoke from the strong Balkan cigarettes drifts upward and at intervals the ancient black telephone on the big empty desk stirs into action.

People in the western embassies in Tirana sometimes tear their hair over "the unrealistic notions of some Albanians."

But all in all "dramatic changes" have occurred in the past year, according to one diplomat. "The upheavals have occurred more quickly and with less friction than in most other East European countries. One cannot expect more, especially in view of the fact that Albania has not had alternative structures such as the Catholic church in Poland, for example, or a massive influence from the outside as in the case of the former German Democratic Republic."

### Old Guard Silent

Opposition leader Sali Berisha has no trouble understanding that western assistants are not standing in line to come to Albania: "We are a forgotten and isolated country. But that is the fault of our own rulers. We cannot blame others for it."

He ascribes his party's resounding election defeat—the democrats won in the cities but lost in the populous rural areas—to special circumstances: "We were the youngest and poorest opposition in Europe. But we will now work to disseminate our views in the country. And we will make a strong comeback."

It is harder to get the communists themselves to talk. "We are very busy," say those in the so-called reform-minded wing, who are suddenly expressing archliberal viewpoints in parliament.

Nothing at all is heard from the old guard in the hardline faction. They hide out in their luxury villas in a special district in the heart of Tirana that used to be completely off-limits to their subjects. Today the curious can walk around in the celebrated square relatively unchallenged and among other things look at now deceased dictator Enver Hoxha's big, three-story de luxe home with fountains and green carpeting on the steps.

But one cannot just drop in on his successor as president, communist Ramiz Alia. Two young soldiers bar the entrance and stare in amazement at a couple of unannounced foreigners who ask if they can talk to the chief of state.

Sali Berisha admits that "Alia has been a realist and has avoided major blood baths."

But Berisha's fellow chairman, Gramoz Pashko, put it another way. In parliament he compared Ramiz Alia to "a frog that is trying to fly."

The new members of parliament were no doubt struck dumb by Pashko's choice of words. That kind of thing is still unusual in Tirana. But then they immediately resumed their refrain: "Come and help us, oh Europe, Europe..."

**SDS Structure, Strategy for Elections**

91BA0782A Sofia DEMOKRATSIYA in Bulgarian  
27 May 91 pp 1, 3

[Text] One and a half years after it was founded and almost a year after the unsuccessful electoral results, the SDS [Union of Democratic Forces], with increasing urgency, faces the dilemma of being either a movement for democracy or a coalition of political parties.

These two trends are present in the politically divided central leadership and the local political activists that are preserving their nature as movements. Clearly, each party within the alliance is seeking to develop its own image, social base, and electorate. At the same time, however, to the majority of the population (particularly in the provinces), the SDS is a manifestation of the idea of a powerful opposition movement aimed at the rejection of communism.

Considering the vague nature of the democratic process in the country, the Bulgarian opposition at present needs relatively clear structural and specifically formulated objectives. It is hardly possible for the processes of party identification to be artificially halted. However, a sensible compromise is needed, bearing in mind that the SDS in the provinces is viewed as a single entity.

The OKS's [okrug cooperative unions] have twin status: On the one hand, they are unable to influence the course of events in the center; on the other, they lack adequate possibilities (funds and cadres) to influence the overall development of local processes. In most parts of the country, they are groups with their own personalities and are not duplications of the Sofia political conglomerate. It was no accident, as was clearly stated at the conference, that the divisions that are characteristic of the center will not affect the lower levels.

Another very important fact is that, in the year that has passed since the elections, unlike the National Coordination Council [NKS], whose composition is virtually unchanged, quality changes have taken place in a large number of the regional structures. A new group of local leaders has developed that is better adapted to the requirements of the transitional period: These are intellectuals who have broader vision and are extremely sensitive to any attempt at imposing ideas from above or becoming the subject of political manipulations. This group of local political leaders-professionals not only is a guarantee of the success of the SDS but also an indication that new political elites will be created and that processes in democratic Bulgaria are irreversible.

Given this situation, it is natural that, in the next electoral campaign, the OKS's will control the destinies of the various areas and municipalities—the search for political alliances and the elaboration of regional programs.

The OKS must become an authority that will coordinate the efforts of the opposition and try to make use of all possibilities for engaging in political and social actions,

such as organizing a united opposition (wherever possible, as is the case with Lovech, Dimitrovgrad, Khaskovo, and elsewhere); interacting with the Podkrepa Labor Confederation and the tripartite commissions; and participating in the provisional [words missing].

In the current national party struggles, let us not forget that a ubiquitous factor in the localities is the limited membership of the small parties and the efforts of the big parties to recruit members at all costs and, consequently, indiscriminately. This process leads mostly to a struggle for the redivision of the already existing SDS contingent and to a weakening of the opposition.

It would be useful to remind the party leaders that, wherever divisions exist in the local areas, they are rather within the party leaderships and not among the members of the individual parties. Wherever efforts have been coordinated to resolve problems (such as interpreting and applying the Law on the Land), better results have been achieved. The worst type of interaction among parties within an OKS would be their reciprocal neutralization and, consequently, organizational paralysis of the entire alliance.

With few exceptions, one cannot speak in the localities either about an SDS-center or a right wing. Such central divisions create problems for the local leaders, who are seeking to identify with the leaderships of their parties. Should this trend continue, we would be witnessing an artificial creation of local divisions as well as an organized counteraction by most local SDS leaderships.

Whether accepted or not, the principle of "one party, one voice" reflects the nature of the SDS as a movement, and its rejection is about to create difficulties in the present case.

A great number of structural relations within the SDS have been gravely disrupted. The mutual shifting of responsibilities among the parties, the OKS, and the NKS further aggravates the situation rather than resolves problems.

At the present time, this confirms the need to strengthen the positions of the individual OKS's and their activities within the union.

The fact is that even the big parties within the SDS lack adequate vertical structures. Their influence is felt mostly (with the exception of the BZNS-NP [Nikola Petkov Bulgarian National Agrarian Union]) in the okrug centers. This alone indicates the illusory nature of the idea that any given party can hope for electoral success outside the SDS. The problem of the alliance at this point is different: Because of the lack of funds and people, ties between a former okrug center and the municipal centers, and between a municipal center and the villages, cannot be sustained and developed. The regional consultative councils are a good solution but are still not sufficiently effective. Nor is it accidental that, in some areas of the country, we notice the appearance of

horizontal structures among individual settlements within the boundaries of the former okoliyas.

In this situation, the roles of the okrug coordinator and the former okrug center are of exceptional significance. The equal status of the municipalities does not exclude the need for coordination on the level of the okrug center. It is within it that the intellectual potential of the local opposition is concentrated. This is also its natural rallying point. Particular attention should be paid to the contradictions between pairs of cities (such as Lom-Mikhaylovgrad, Kyustendil-Dupnitsa, Gabrovo-Sevlievo), which are destructive in terms of the development of regional structures.

#### **Relations With the Podkrepa**

While the SDS was acting essentially as a social movement, the place of the Podkrepa was within the union; equally natural was its official withdrawal following the intensification of party differentiations.

Over the past year, however, basic problems remained unresolved, such as:

- The formal organization of the Podkrepa as the trade union structure of the opposition, both centrally and in the localities.
- Clarification of relations between the Podkrepa and some political parties.

Relations with the Podkrepa can develop on the basis of reciprocal self-restrictions, coordinated actions, and concentration on the main tasks of the two organizations: the political area for the SDS, and industrial relations and labor conflicts for the Podkrepa. The development of political and social processes in the country has advanced to the point that the establishment of new joint structures or efforts on the part of either side of the opposition to dominate could be effective. At present, the Podkrepa has the exceptional opportunity, with the help of the SDS, to assert itself both quantitatively and qualitatively as the leading trade union force, while the SDS, without organizational structures and the help of the Podkrepa, would find it difficult to rely on any more serious success in the forthcoming elections.

Unlike the party divisions within the SDS, we could point out that divisions and conflicts between the Podkrepa and some political forces or the SDS as a whole are reproduced quite accurately in the localities. This dysfunctional model, particularly in the small municipalities, leads to deepening conflicts that hinder the activities of the opposition as a whole.

In many localities, limiting the Podkrepa to the area of strictly trade union demands and problems, and isolating it from the other opposition forces, deprives it of local intellectual leadership and better-quality representation. A sensible compromise would help to assert the Podkrepa as a trade union movement in some areas where the opposition is not present and in some small

towns, where the lack of a city Podkrepa section has deprived the opposition of being represented in the tripartite commissions.

#### **The Attitude of the Union Toward the Temporary Management Bodies**

Although the temporary management bodies were meant to operate for only a short time and have already been functioning for quite a while, and although they did not in every case include the most suitable people and were the reason for struggles among parties and are today partially the reason for discrediting the opposition and the idea of a qualitative democratic management, we would like to point out that the opportunities they offer the opposition participating in them are not being sufficiently utilized.

It was not noted everywhere that, regardless of all else, it was precisely within them that the communist monopoly on power was destroyed, and that it is within them that a model of united opposition is being established (here it takes place much more easily than within the framework of political agreements).

Nor was the opportunity provided by participation in the temporary management bodies for the dismantling of communist power or, above all, the fact that they are the legitimate institutions for such activities taken into consideration. In some localities, the leading role that the representatives of the SDS should play in such management bodies is not suitably appreciated.

Such management bodies also are not being fully used as sources of information about communist violations of the law. Inadequate use is also being made of the possibilities they present for political initiative, thus legitimizing the new type of political management and, therefore, the opposition. In this respect, attention should be paid to the initiatives of some OKS's that are helping to set up expert councils to assist our representatives in the temporary management bodies.

Naturally, such management bodies should not act as screens for the communists. We must oppose the latter's deliberate efforts to discredit our representatives (or, as is frequently the case, to burden them with insignificant problems). The close link between the OKS and our representatives in a provisional management is a basis for legitimizing the opposition in areas where, after decades of communism, a great percentage of the people trust only a power manifested by having its representatives in the power structures.

#### **Civic Committees or United Opposition?**

The idea of civic committees is an attempt to resolve the dilemma of a civic movement or a coalition of parties. In practice, it has not been defined: The political leaders in the center, for example, interpret it arbitrarily and exclusively, according to their own interests.



Before we speak of civic committees, let us not ignore the simple fact that the number of SDS activists in the localities is limited, and there is no one to deal with the establishment of new structures. It must be clearly realized that the people within and around the OKS have been carrying a tremendous load—organizational, political, and physical—for nearly two years. This is not only one of the reasons for holding immediate elections but also a serious warning concerning any kind of irresponsible or insufficiently considered suggestions to develop new structures. Should the SDS determine to preserve its old organizational forms, the local trend being a clear indication of this, the role of the civic committees will be fulfilled by the election staffs.

Another interpretation (again coming from above) is that the civic committees provide an opportunity to attract those who hesitate, particularly among the members of the intelligentsia. It is not clear, however, how such an objective could be attained by such a highly politicized method.

The third interpretation of the civic committees is to view them as an attempt at providing a specific counteraction to the centrifugal forces within the SDS. Such committees could play such a role only if there is a division inside the center. This, in turn, could lead only to depressing thoughts and conclusions.

At present, the search for ways of expanding the influence of the SDS as a democratic movement would be a difficult one, even with the use of much more neutral organizational forms. The efforts by the Sofia center to organize certain movements cannot count on any durable success in the localities; in the provinces, the people are far too involved in purely unification activities to suggest new forms that may be worthy of attention.

Let us fully realize that the overall trend of decline in political activities and a certain withdrawal of the intelligentsia and the young are lowering the effectiveness of political organizational forms as a way of broadening the influence of the SDS in society.

The foundations for a common anticommunist—a democratic—front should be sought in the offering of positive SDS programs in the localities aimed at solving local problems. What matters today is not showing political predilections or affiliations but engaging in specific social and political activities. In this sense, what is important is the daily search for links to the population, efforts at converting the former Fatherland Front clubs into local forums, and interaction in the localities with organizations such as the Association of Owners. Briefly, supporters and sympathizers must be attracted through nonpolitical ways, means, and actions.

On the other hand, a certain dampening of party interests and getting into the electoral campaign on behalf of the SDS as a national movement would be welcomed by the population. To win the elections, a campaign must be waged on behalf of the united opposition with formulas

adapted to the specific local conditions. With such formulas, the people will be able to surmount their political fears and apprehensions and vote more freely against communism and for democracy. It is natural, considering our numerical superiority and unquestionable intellectual potential, that, in most places, the SDS is the leading force in the unified opposition, something that will also contribute to achieving one of the basic electoral objectives: the political and social isolation of the communists.

### **The Municipal Councils of the SDS Are United...**

...Consequently, the SDS needs a structure that will strengthen its role and influence and that, in the electoral campaign, will make the party leaderships take into consideration the wishes of the predominant part of our supporters. Let us not delude ourselves: The majority of the people will still be voting for the SDS as a whole and not for a specific party. Furthermore, an equal number of party members became members of parties accidentally—parties that still have no clear images or distinct programs.

On the whole, however, the idea of the restructuring of the SDS into a party cannot be achieved without tremendous upheaval and without a guarantee of the outcome of such an action. No one has the right, one or two months before the elections, to suggest such restructuring. The unity of the local union organizations (which is obvious) is a guarantee of the strength of the national SDS coalition. It is only such a strong union, based on the reciprocal respect for the various areas of action, that could be a partner of the strong Podkrepa.

However, the strength of the local organizations, which was confirmed at the national conference, has another aspect as well. These are organizations that hold matters in their own hands. The situation at the time of the last elections, when the center dictated the course of events and allocated, coordinated, and imposed its will, no longer exists. Ignoring the fact that the financial, methodical, and propaganda aid of the center will have to diminish, all the rest becomes a matter of local organization and efficiency. The overall electoral program of the SDS on a national scale, which of necessity must be much more streamlined, specific, and aimed at the people, should be accompanied by substantiated regional (and above all municipal) electoral programs. The first political force and leading structure of the opposition should set an example of specific economic and social action. This is precisely because a high percentage of the candidates for deputies will be locally elected and cannot allow themselves to campaign on the basis of general and identical programs.

In other words, the democratization of the SDS and the increased strength of the local structures open the way to the democratization of the entire society. The logic of this process will have to be observed not only by some political leaders within our union but also by anyone who vows that the purpose of his life is the victory of

democracy in Bulgaria. The success of the local union organizations of the national conference is a guarantee of the success of the democratic restructuring of our entire society. The SDS has reason to act more decisively and more categorically for the implementation of the mission for which it was created one and a half years ago and that is being supported today by the majority and the more vital part of the Bulgarian people; otherwise, time will work for other forces.

### DPS Provincial Official Interviewed

91BA0697B Sofia PRAVA I SVOBODI in Bulgarian  
15 Apr 91 p 2

[Interview with Myumyun Ramadan, head of the Movement for Rights and Freedoms party in Ardino Oblast, by Saffet Eren in Ardino; date not given: "Let Us Defend Justice"]

[Text] Myumyun Ramadan is well known by the people of Kurdzhali and those in the Ardino area. He is one of the founders of the Movement for Rights and Freedoms [DPS] in that area. For quite some time he has been in charge of the movement in the Ardino Oblast.

[Eren] Dear Ramadan, would you tell us something about yourself, first of all?

[Ramadan] I was born in the village of Zhenda near Kurdzhali. I am 48 years old, am married, and have two children. I have lived for many years in Kurdzhali. During the Bulgarizing campaign, I was interned in Belene.

[Eren] What took you to Ardino?

[Ramadan] I was sent there by the okrug council of the DPS. I came to work. Whether it is I or someone else is not important. What matters is to help the people and to work.

[Eren] What is the situation with the membership in the area?

[Ramadan] Since September of last year, 300,000-400,000 persons have joined. I am not aware of the precise number of sympathizers. We are now trying to

organize a club. We are working also among women and young people. Let me note the good work done by our organizations in Byal Izvor, Mlechino, and Diamandovo.

[Eren] You are also member of the provisional leadership of the Executive Committee. How are things there?

[Ramadan] We are working very hard. However, it is very difficult to reach a "unanimous" decision. Unfortunately, the vestiges of the totalitarian regime are still hindering us. You, personally, as a journalist and the author of a number of articles in the local press, have explained to the readers some of these difficulties and confusions. We, too, are trying to overcome them. Frequently, our efforts to work jointly with the representatives of the SDS [Union of Democratic Forces] and to surmount negative phenomena are wasted. In my view, after the elections for local authorities, everything will fall into its proper place. In other words, we must not delay the holding of local elections any longer. As we march toward the future, we must try to proceed from the existing reality. Unquestionably, we must be on the side of goodness and rights and love.

[Eren] Some irregularities exist in connection with the teaching of the Turkish language. Could you share with us your view on this matter?

[Ramadan] The reaction against the teaching of Turkish in the schools concerns not only us but also our Bulgarian neighbors and friends. It is an unquestionable truth that the Bulgarian language is mandatory for all. At the same time, however, we, the Turks, should have the facilities to learn our maternal language at school. That is why, instead of being hindered, we should be helped....

[Eren] Dear Ramadan, along with the problems that you have shared so far, you probably have something happy that you would like to share with us....

[Ramadan] Of course. Of late, I and other people have been particularly pleased that we acquired the newspaper PRAVA I SVOBODI. I hope our newspaper will go on publishing for many more years and be received by every family.

**Envoy Warns U.S. 'Influenced Negatively'***LD1806162491 Prague Ceskoslovensky Rozhlas Radio Network in Slovak 1300 GMT 18 Jun 91*

[Text] Rita Klimova, the Czechoslovak ambassador to the United States, today addressed the Foreign Committees of both chambers of the Federal Assembly. She said that the United States view of Czechoslovakia was influenced negatively by the intended sale of tanks to Syria, the final form of the restitutional bill, the failure to sign a treaty on protecting investments, and the screening affairs and disputes between the Czechs and the Slovaks. She admitted the hesitancy of the inflow of U.S. capital into Czechoslovakia and stressed that arms trade could jeopardize financial assistance to our state.

**More From Envoy on 'Clouding' of U.S. Views***LD1906011791 Prague CTK in English 1949 GMT 18 Jun 91*

[Text] Prague June 18 (CTK)—Czechoslovak Ambassador to the United States Rita Klimova gave the following reasons for the recent clouding of the U.S. view of Czechoslovakia: the planned sale of Czechoslovak tanks to Syria, the final version of the property restitution law, the failure to sign a treaty on the protection of investments during the recent visit of U.S. Vice President Dan Quayle to Czechoslovakia, scandals connected with the screening of public figures for possible past collaboration with the Communist secret police, and the ongoing Czech-Slovak disputes. Attending a session of the foreign relations committees of both houses of the Federal Assembly, Klimova said American businesses are hesitant about investing in Czechoslovakia due to a lack of information about business conditions there. Referring to American protests over the planned exports of Czechoslovak tanks to Syria, Klimova said Syria, Iraq, Iran, North Korea, Cuba, and Libya are on the U.S. list of countries supporting international terrorism. The export of tanks to Syria might harm Czechoslovakia's relations with the United States and jeopardize the possibility of drawing financial resources from American aid programmes for Central European countries, Klimova warned. Some Czech and Slovak-Americans are disillusioned about the property restitution law, which provides for the return of property only to Czechoslovak citizens with permanent residence in Czechoslovakia. Some members of the U.S. Congress are calling for a revision of the law, she noted. Regarding the screening process, Klimova said the U.S. media criticise the way the screening is being carried out, especially in connection with parliamentary Deputy Jan Kavan. (He emigrated to Britain after the 1968 Soviet-led invasion of Czechoslovakia and publicized dissident activity in his homeland. He returned to Czechoslovakia after the 1989 November revolution. His name was found in the files of the secret police, but he has strongly denied any knowing involvement with them).

**Border Treaty With Germany Discussed***LD1906145591 Prague CTK in English 1324 GMT 19 Jun 91*

[Text] Bonn June 19 (CKT)—A draft treaty confirming the present borders between Czechoslovakia and Germany was discussed here on June 18-19.

The treaty will be of great political importance for Czechoslovakia because it will be the first international document of this kind signed with Germany since World War II.

**Socialist International Election Aid***LD1906013191 Prague CTK in English 1725 GMT 18 Jun 91*

[Text] Prague June 18 (CTK)—Chairman of the Socialist International Willi Brandt has promised that its member parties will help the Czechoslovak Social Democratic Party [CSSD] prepare its pre-election campaign in spring 1992, CSSD Chairman Jiri Horak told journalists here today. Horak said he discussed cooperation, including information exchanges, with Social Democratic parties from all over Europe at a meeting of the Socialist International in Linz, Austria, last week. He also mentioned that French Socialist economists will attend a seminar on economic reform which the CSSD is organising in Prague at the end of July. Also at the press conference, CSSD Foreign Secretary Bretislav Nedbalek referred to a recent meeting held in Cheb, west Bohemia, by the CSSD and the German Social Democratic Party [SPD] to discuss the Sudeten German question. Nedbalek said people in west Bohemia need not fear that former German residents will try to reclaim their property.

**Number of Students in Military Schools***AU1806201091 Prague MLADA FRONTA DNES in Czech 15 Jun 91 p 2*

[Unattributed report: "Expensive Schools"]

[Text] Prague—Military education is disproportionately more expensive than civilian education. This was stated yesterday by members of the Chamber of People Military and Defense Committee (members of the same committee in the Chamber of Nations did not turn up in a sufficient number). For example, 1.9 billion korunas were spent on the activity of military schools last year. Average yearly expenses for a student in a military college are 137,700 korunas, while in case of a civilian school these expenses only approach 27,000 korunas. No later than 1993, expenses for military education should drop by 38 percent, which represents 700 million korunas. Large expenses are due, for example, to a disproportionately high number of employees in military schools. There are 10,602 college employees for each 8,661 students and in case of military secondary schools there are 1,000 employees for each 2,600 students.

### **Czech Minister Outlines Privatization Policy**

*LD1706210491 Prague Ceskoslovensky Rozhlas Radio Network in Czech 1600 GMT 17 Jun 91*

[Excerpt] A press conference was held today at the Czech Republic's Ministry of Industry. Editor Milan Cervenka attended it.

[Cervenka] The task of big privatization is not to transfer at any cost the assets of the state to joint stock and private companies, but to carry out this operation as best as possible, said Minister Jan Vrba. He added: The future ability of goods to compete, which will be achieved with the help of foreign capital and reputable foreign partners, including experienced advisors, testifies to this course of action. Immediately afterwards Minister Vrba presented four permanent foreign advisors. We also learned that, following the well known enterprises which have foreign participation—the Mlada Boleslav automobile works, Sklo-Union Teplice, and Technoplyn Prague there are 50 other enterprises and joint stock companies that are ready for big privatization. Another 100 enterprises are in the advanced stage of privatization negotiations. The privatization will be carried out in two stages. The success is that two-thirds of all enterprises registered themselves for the first stage. [passage omitted]

### **New European Banking Association Founded**

*AU1806200691 Prague LIDOVE NOVINY in Czech 15 Jun 91 p 3*

[Text] The International Association of Commercial Banks—which was established on 12 June—affiliates larger commercial banks in the countries of Central and East Europe. Miroslav Tucek, director general of the Investment Bank, was elected as the Association's first president.

### **Americans Plan U.S.-Slovak Bank in Kosice**

*AU1806192591 Bratislava PRAVDA in Slovak 15 Jun 91 p 2*

[Article by "(in)" under the rubric "Briefly From Home": "They Are Preparing an American Bank"]

[Text] A press briefing has been held in Kosice—with the participation of Gregory T. Dinger, president and owner of the Dinger Trading Company from the United States—to inform journalists about the preparations under way to establish and open the first American-Slovak bank in Slovakia. The bank will be based in Kosice. The bank has preliminary founding capital of \$10 million. Its activities will be oriented, first and foremost, toward the development of East Slovakia. According to G.T. Dinger, participation in reconstructing Kosice Airport and the development of the furniture industry in East Slovakia would be among the bank's primary interests. The first decisive negotiations with representatives from Kosice, entrepreneurs, and state enterprise representatives will take place next week when Jerry Byrd, a representative of the U.S. Centennial Bank, will arrive in Kosice.

### **Opinion Poll on Satisfaction Ratings**

*LD1706201891 Prague Ceskoslovensky Rozhlas Radio Network in Czech 1600 GMT 17 Jun 91*

[Text] Since 17 November 1989, Czechoslovak citizens have been most satisfied with foreign policy and least with standards of living. This emerges from the poll carried out by the opinion poll research institute in May. About every fifth citizen agreed with the development in the social security system and about one-sixth of those polled expressed satisfaction with changes in the economy. According to the results of the poll, satisfaction is markedly higher in the Czech Republic than in the Slovak Republic.

### Founders of Jewish Organization Interviewed

91CH0588B Budapest UJ MAGYARORSZAG  
in Hungarian 29 Apr 91 p 15

[Interview with Endre T. Rozsa, Hungarian Radio editor, and Gabor Deak, manager of Jewish Community Lauder Javne School, by Denes Foldessy; place and date not given: "Nonpartisan Minority Representation"—first paragraph is UJ MAGYARORSZAG introduction]

[Text] Three years ago, in the spring of 1988, the intention to do something about organizing Hungary's Jews became a decision. We talked with Hungarian Radio editor Endre T. Rozsa and Jewish Community Lauder Javne School manager Gabor Deak about these new beginnings and about the Hungarian-Jewish Cultural Association's goals. Both of them have been associate chairmen of the association for almost a year and a half.

[Rozsa] A few smaller, mostly nonreligious, Jewish communities regularly met even during the communist period. State security's department III/III constantly watched and harassed these as well as the participants of the Hebrew language course—in which I was also registered. It is a fact not to be forgotten that the campaign against so-called Zionism was part of the anti-Israel communist regime's official policies. Incidentally, it was the department's greater or lesser harassments that strengthened my Jewish identity.

[Foldessy] We could say then that the III/III unintentionally strengthened the Jewish movement?

[Rozsa] During the course of their surveillance the weaker of us, who were afraid, dropped out; on the other hand, when the time for a beginning arrived, our hard core was already in place.

[Foldessy] Was the change of regime the beginning?

[Rozsa] No, it was the 45th anniversary of the Warsaw ghetto's rebellion; Gabor Deak and I went to the commemorations in the spring of 1988. The Polish state security continued our surveillance, to the extent that Warsaw Radio inquired about Gabor on telex at the Hungarian Radio since he had no official accreditation. But Laszlo Zelei, who had no idea who Gabor Deak was and what he was doing abroad, replied with a friendly telex message that everything was all right, they knew about his stay there, he was an outside Hungarian Radio correspondent.

### Spirituality Is Fundamental

[Deak] I was born into an assimilated Jewish family and I did not even think that I was a Jew. My Jewish identity was awakened around the time of my high school graduation by anti-Semitic comments and attacks that were incomprehensible to me. I also chose a Hebrew name. My family name in Hebrew is Sear Jasuv. Its meaning is: "The Remnants Will Return." I met Endre Rozsa in the

synagogue on Nagyfuvaros Street shortly after Tamas Raj became rabbi, and we both are raising our children in the Jewish spirit.

[Foldessy] Why was it Warsaw where the change occurred?

[Rozsa] The memories of the Jewish people's heroic struggle had prompted us, even earlier, to do something on behalf of Hungarian Jews. Both Yitzak Navon, Israel's onetime head of state, and Simcha Dinitz, chairman of the Jewish Agency, came to Warsaw. We talked with them and they said that we should begin our work and they would help.

[Deak] We had already been organizing in the Nagyfuvaros Street synagogue before Warsaw, in the winter of 1987-88 and, thus, we already had some kind of a foundation when Simcha Dinitz encouraged us.

[Rozsa] On returning home, I wrote our manifesto and showed it to Dezso Keresztury who put it in its final form. The main point of the manifesto is that it is not the Jewish religion but the Jewish spirit that is important to us. That manifesto was the beginning!

[Deak] It was very important to preserve the objective and spiritual values of the Jewish culture which were being destroyed during the past forty years.

[Foldessy] When you came back from Warsaw, people began to sign the manifesto mentioned. Who signed it?

[Rozsa] Almost a hundred individuals from the elite of the Hungarian intelligentsia, both Jews and non-Jews, e.g., Sandor Weores, Miklos Gabor, Erno Rubik, Gabor Presszer, Miklos Meszoly, Tamas Hencze, Istvan Nemeskurty, Gyorgy Poszler, Vilmos Csanyi, or Tamas Nyiry. Before signing it, Mrs. Gyula Illyes told us that the father of one of her classmates was British, her mother was Hungarian, and the other classmates teased her about it. The girl responded by saying that she was 100 percent Hungarian and 100 percent British. Because of his office, Imre Pozsgay could not sign it but sent a greeting and provided us with a place and, thus, a security umbrella, for this was all he could do in the late spring of 1988.

[Foldessy] Who were the ones who did not dare sign it at that time?

[Rozsa] There were a few of those who were afraid mainly of the head of the Department of Agitation and Propaganda of the MSZMP [Hungarian Workers Socialist Party]. Today we have 2,000 members here at home and 500 abroad, mainly in Israel. Efraim Kishon and Tom Lantos are also among our ranks. When the Association was formed on 28 November 1988, Vera Merei, widow of Ferenc Merei, the famous psychiatrist, said "I feel exactly like I felt when we came up from the shelter in 1945!" It was there where the Israeli anthem was heard for the first time since 1967.

[Foldessy] But now we are already in 1991; have you come up from the shelter!?

[Rozsa] A heated debate emerged in the Hungarian-Jewish Cultural Association, and two points of view gained strength. One of them is that we are Hungarians first of all but preserve Jewish culture. The other one is that, using Mrs. Gyula Illyes' parable, we are 100 percent Hungarian and 100 percent Jewish. Both of us belong to the latter group. Let me note that the Zionists Association, which is independent from us, is a separate organization, and their goal is to emigrate to Israel.

### **We Are About 100,000 Strong**

[Foldessy] Does a process of revival exist within the religious faction, i.e., in the church communities?

[Deak] Local church elections are coming to an end soon, and new people will become leaders. The leaders who collaborated with the party state's church office quietly left.

[Foldessy] Internationally, what is the size of the Hungarian Jewish community?

[Deak] It is the largest in Central Europe, both in terms of its social weight and its number. We are about 100,000 strong in Hungary; after the change of regime, many new Jews "were born" who became aware of being Jewish at the ages of 40, 50, 60 years.

[Foldessy] Are you then Israelites or Jews?

[Rozsa] We are Jews, this is the right term, for it includes not only the religious but also the national character. There are two flags in almost every synagogue today: the Hungarian and the Israeli flags, and this is unusual even in international comparison. For the first time this year, the Hungarian press paid tribute to the day of independence of the State of Israel. The Hungarian intelligentsia also understands that Hungarian Jews are not indifferent to what happens in Israel.

[Foldessy] Do Hungarian Jews somehow identify themselves with the victims of the 1945 Slovak manifesto of Kassa which proclaimed the persecution of Magyars, or with the persecuted persons of last year's Marosvasarhely pogrom, for the borders drawn at Trianon have lately made it possible to again intensify the persecution of Magyars?

[Rozsa] In Transylvania, for instance, the extremely unjust borders drawn at Trianon make it possible for the state establishment to persecute the Magyars. Because of the annexation of homogeneous masses of Magyars by another country, we—like everyone else—have an interest in reacting sensitively to any kind of minority grievance. Jews must protest against any discrimination, and I believe that every Jewish organization is built, among other things, on this premise.

[Foldessy] What is your opinion on Hungarian anti-Semitism?

[Deak] I do not think that Hungarian anti-Semitism has gained strength; it is more open at the most. This is just a characteristic of a changing world when extremes always emerge, exemplified by the publication of the book *Csendorsors [Gendarme Life]*. The sensitivity of Jews is understandable, for never and nowhere throughout history have six million members of a people been methodically murdered. We live with the memory of this.

[Rozsa] The MDF [Hungarian Democratic Forum] organized a Jewish-Christian meeting in the summer of 1990 in which the atmosphere became ostentatiously antagonistic. I just arrived from the regular annual so-called "Life Path" march in Auschwitz and showed the jacket with the huge David star I received there. Everyone was ashamed. I said, "Do you not feel that it is tragically ridiculous when two trampled-down people argue about which one of them has been trampled more?"

[Foldessy] In your opinion, what is the most urgent task of reviving Hungary in protecting its minorities?

[Deak] The parliamentary representation of nationalities, including the smallest ones, e.g., the Armenians. For representatives belonging to nationalities, or the Jews, got into the parliament through party affiliations and not through their minority rights. In the interest of positive discrimination, their presence in parliament—not necessarily as representatives but perhaps in another political form, e.g. as ombudsmen (minority representatives)—would be extremely important.

[Rozsa] Were I a responsible politician, the first thing I would do would be to find associates for the parliamentary representation of minorities because I do not find the partisan solution satisfactory.

[Foldessy] What is your opinion on the Vatra Romaneasca's recent desecration of the Brasso synagogue?

[Deak] This act shows perfectly that we must unite in Central Europe for the protection of minorities. We must strongly protest against it, for it is no accident that the Vatra attacks not only Magyars but also synagogues. If this continues, then we may hear next about the desecration of a German monument.

### **Draft Parliamentary House Rules Described**

91CH0630C Budapest MAGYAR NEMZET  
in Hungarian 24 Apr 91 p 5

[Interview with Istvan Papp, division director in the Office of the President of the National Assembly, by (nemeth); place and date not given: "What Will the New House Rules Provide? Third Version Still in the Works"—first paragraph is MAGYAR NEMZET introduction]

[Text] The National Assembly changed the house rules which govern its operations in order to speed up the legislative process. The multiparty structure however,

requires the drafting of new house rules. Related work has begun last year. Not too long ago members of a visiting American committee took part in the preparatory work. We inquired from Office of the National Assembly president division director Istvan Papp just what the new house rules would provide.

[Papp] The first version was complete in December. This amounted to no more than an adaptation of West European house rules, mostly the house rules of the Bundestag, and of the 1946 Hungarian house rules. From the latter we adopted the disciplinary provisions and the committee system, while the the Bundestag house rules were used with respect to the operation of factions and the rights of representatives. The second version evolved in March based on comments received from the various party factions. The Americans worked with an English translation of this version.

[nemeth] Which parts did they regard as "weak points"?

[Papp] They raised two fundamental concerns. In their view majority rule did not prevail in this version. They could not understand why a consensus was needed in the Committee on the House, and why it was necessary to establish a two-thirds rule. They recommended that the decisions of the Committee on the House be ratified by the parliament. In viewing the proposed jurisdiction and tasks of the committee we find that it does not differ greatly from the present practice—most of its authority is in the realm of making proposals.

[nemeth] In our present situation the question of whether a decision enjoys broad support constitutes a key issue. Did the guests fail to consider this matter?

[Papp] Representatives of factions present suggested the same. They asked the Americans how to handle minority rights. In rather simple terms, one of the experts replied that the minority must recognize the decision of the majority.

[nemeth] Accordingly, will you include this in the new house rules?

[Papp] Probably not. In this relation the opinion of Katalin Kutrucz was interesting. She explained that within the Committee on the House, the majority was in the minority. This is because of the seven persons who endeavor to reach a consensus, only three belong to the ruling party. But the present practice has proved itself. A proposal based on the agreement of the committee on the House and presented to the plenary session enhances the ability of the parliament to function.

[nemeth] What was the second recommendation about?

[Papp] They suggested that committees strengthen their filtering role. At that time they were unaware of the method of accelerated proceedings adopted just recently. They unequivocally claimed that a legislative drafting committee was not needed. They said that office staff should be provided to specialized committees to resolve legal problems that emerge during sessions. We agree

with this recommendation. The agenda of plenary sessions depended on the number of proposals the Committee on the Constitution was able to process. They had to comment on each and every proposal, and thus, independent from what they wanted to do, they managed to slow down work. The Americans stressed that specialized professional issues not be decided in plenary sessions. Political decisions supported by specialized professional arguments should be made in the framework of plenary sessions.

[nemeth] What did they think of the question of openness?

[Papp] Opinions were divided. Most of their arguments pertained to the question of whether the presence of the press impeded committee work. One of the teams claimed that the press would not be satisfied with news releases. The press will gather unofficial data and facts instead. The other view held that the presence of the press impeded the conduct of professional debate because representatives would be talking to an audience. In regard to the broadcasting of proceedings at plenary sessions, they recommended the adoption of rather detailed rules. Not too long ago I attended a symposium in Vienna which took the position that the public be excluded from committee meetings in order to improve committee work. Our proposal nevertheless retained the public character of committee meetings.

[nemeth] What restrictions did you include in order to accelerate legislation?

[Papp] In addition to adopting the exceptional proceeding, we included requirements by which representatives who offered amendments had to gather as many signatures in support of the proposed amendments as the number of representatives in factions with the minimum number of representatives, i.e., 15. It may be argued that this restricts a representative's individual right, and therefore a constitutional amendment in this regard would be conceivable, even though this does not constitute a restriction at the faction level, because even the smallest faction consists of more than 15 persons. But this measure could prevent "guerilla action." Individual statements made prior to discussing the daily agenda would be limited to five minutes, but the draft does not define what may be regarded as such statements. Nevertheless the president must be informed of the topics of such statements one hour before the plenary session, and the president may request the consent of the parliament to making such statements. A provision according to which the Committee on the House would allot time to each faction constitutes a new element. Each faction may decide the number of representatives that should speak. This enforces the majority rule and also limits debate. A situation in which each of the 28 Smallholders Party members would speak for 20 minutes regarding the compensation law would not occur. The introduction of

three rounds of debate is also a novel feature. Amendments could be introduced prior to voting if problems arose regarding one or another part of a legislative proposal.

[nemeth] Will the provision governing factions be changed?

[Papp] Yes, it will. The minimum number of representatives which constitutes a faction was established as 15, rather than 10.

[nemeth] Is it possible for an elected representative who won his seat by running on a slate to switch to another faction?

[Papp] Yes, the proposed rules do not distinguish between representatives.

[nemeth] I understand that the proposal would prohibit representatives to establish interest groups on a professional or regional basis.

[Papp] Yes, but all this means is that they cannot make an appearance, in the legal sense of that term. From a practical standpoint, the functioning of the so-called lobbies cannot be ruled out.

[nemeth] When will the new house rules be introduced?

[Papp] A third version will be prepared on the basis of recommendations which continue to "flurry." They will discuss the third version once again, and they may adopt it in June.

**1956 Institute Founded; New Documents From India**  
*91CH0630A Budapest MAGYAR NEMZET*  
*in Hungarian 25 Apr 91 p 11*

[Interview with Gyorgy Litvan, head of the 1956 Institute, by Gabor Muranyi; place and date not given: "Faded Star?"—first three paragraphs are MAGYAR NEMZET introduction]

[Text] At noon today, President of the Republic Arpad Goncz will officially transfer to the leaders of the recently established 1956 Institute documents related to the history of the revolution he brought from India.

The establishment of the 1956 Institute was announced at a Spring 1989 meeting of the Openness Club. Since then, word spread periodically, with several months in between that the institute would certainly be established, because it had a functioning board of directors after all, because its layout has been completed, because....

However, at this point we can indeed report with certainty about the establishment of the 1956 Institute. I asked Gyorgy Litvan, the head of the Institute:

[Muranyi] Why is it that the establishment of the Institute was delayed this much?

[Litvan] It's simple, there was no money.

**Seized Collection**

[Muranyi] Was it only a matter of money, or were there other reasons?

[Litvan] Primarily it was the lack of money, but there also were uncertainties as to how we should function. The extent to which 1956 constituted a scientific matter, and the extent to which politics would interfere with this matter had to be clarified. This is another reason why things were delayed for a relatively longer period of time. The change came when Domokos Kosary became the chairman of the National Academy of Science as part of installing new officers. Kosary is our master, our colleague and our 1956 comrade in arms whose help decisively advanced the establishment of the Institute.

[Muranyi] Accordingly, will the Institute be an institute of the Academy?

[Litvan] In part. We work as an extramural research group which also receives support from the Academy. Our exact designation is "Documentation and Research Institute for the History of the 1956 Revolution." But the "institute incorporates more than this place of research. It is a larger organizational unit, because the 1956 research group of the Committee for Historical Justice and the Oral History Archive which has functioned for years within the Cultural Research Institute are also part of it. The latter is not funded by the Academy, but primarily by the Soros Foundation of the National Academy of Science.

[Muranyi] In the past, 1956 was the focal point of political battles, thereafter, virtually unnoticed, the star of 1956 has faded. For this reason, it may be fair to ask, "what functions will or will not the 1956 Institute agree to perform?"

[Litvan] There are many things we will not perform. We will not perform any kind of direct political function, our work must not involve either revenge or the settlement of accounts. Our purpose is scientific, it is the performance of historical research, the clarification of facts.

[Muranyi] To what extent is it possible today to deal with 1956 purely as a matter of science? To what extent do politics bear influence on research?

[Litvan] Quite naturally, even if unintended, politics exert an influence and this must be controlled. It is yet another matter that as of today 1956 does not occupy a central place as far as political interest is concerned.

[Muranyi] What is the reason for this, in your judgment?

[Litvan] There are several reasons. One of these involves personal considerations. Among these we could mention the fact that a majority of the ruling coalition politicians were not active participants in the revolution, and therefore they did not want to mention those days, because perhaps they would not benefit if comparisons were



made. This applies in the same way, or perhaps even more so to members of the opposition parties, and I will not even mention at this point the significant exceptions. But this issue also has a deeper ideological and sociopolitical aspect. In 1956 there was a socialistic movement, regardless of the extent to which we could regard it as an anticommunist popular uprising.

[Muranyi] I think that some would argue with this statement. Let us return to the Institute. To what extent is the present Institute a continuation of the Imre Nagy Institute in Brussels?

[Litvan] We regard it as such and thus, by no coincidence, Peter Kende, a former associate of the Brussels institute is a member of the board. But I would like to mention an event that took place even earlier. I just happened to find it in Paris while conducting research in the archives of the French Foreign Ministry. I have in my hand a copy of a letter written by Turbet Delof, the French cultural attache in Budapest, to the French Foreign Ministry in December 1957. Let me read to you a passage from this letter: "Professor of history, Domokos Kosary, was arrested a few weeks earlier in Budapest, and was convicted on charges of spying." Delof has been a close friend of Kosary's, and the letter made reference to the fact that upon instructions from Imre Nagy, Kosary has begun collecting documents, letters, newspapers and other manuscripts generated during the revolution. Despite advance precautions, the police seized the collection upon Kosary's arrest. In this letter, in addition to recommending that steps be taken to help Kosary, the French cultural attache also suggested that a documentation center be established in Paris. This proposal did not materialize, nor could the Brussels institute established in 1959 survive for long. It was able to survive only until a secret American-Hungarian pact had been consummated. In exchange for amnesty granted in Hungary, the Hungarian question was removed from the U.N. agenda, and paralleling this, sort of as a "side line" to the pact, they discontinued the Imre Nagy Institute's financial support. Unfortunately, only shreds of the material that has been collected survived, but the Institute's publications have fundamental significance to this day.

[Muranyi] How is the new 1956 Institute structured, how is it organized? What functions will the various units perform?

[Litvan] I will begin by discussing what already exists: the Oral History Archive. Andras B. Hegedus and Gyula Kozak started to work there seven years ago. At this point the collection includes about 300 autobiographical interviews. These pertain to persons involved in the "second line of history." This already constitutes a huge collection of data. Its usefulness will be multiplied by an analytical index now being prepared and by a combined index of names. And in the meantime, additional interviews are being prepared of course. Broadly based exploratory research is also pursued in county archives; by now all country archives, the Capital City Archives,

the Military History Institute, and the former Party History (today: Political History) Archives take part in this effort. Accordingly, a summary is being prepared from public administrative, council, court and prosecution documents, we copy the more important documents and the copies become part of our collection. In the course of this work, several detailed analyses are being prepared relative to the revolution's local histories. A local historical group headed by Dr. Ivan Erdelyi has already completed the 1956 history of Gyor-Sopron county. I need not tell you that along with the capital, that county was the most significant center of the revolution, the Trans-Danubian National Council was established there. That's where newspaper HAZANK was published, and Attila Szigethy was also active in that county. These archival research activities are directed by Laszlo A. Varga, head of the Salgotarjan archives, and by Laszlo Varga, the newly appointed head of the Capital Archives. Yet another institution, the Szechenyi Library holds the restricted publications. That institution represented anachronism itself in the latter days of the party state. Very wisely, however, they kept the collection in one place after liquidating it, and since most of it relates to 1956 this collection too serves as a basic resource for our Institute. Csaba Bekes, the scientific secretary of our Institute worked there, he is very familiar with that collection.

#### Documents From India

[Muranyi] So far as I know, your institute will also collect original documents.

[Litvan] That is correct. Janos Kenedi and Tibor Weeber direct this unit of the archives. A countless number of documents, notes and letters are privately owned both in Hungary and abroad. I should note here that not too long ago Csaba Bekes brought to Hungary some British diplomatic documents, and during his trip to India, Arpad Goncz received documents from that country. These are very important because they enable us to obtain a more clear picture of Nehru's controversial role, and as I already mentioned, I myself brought home quite a few pieces from France not too long ago.

[Muranyi] Ever since we began conversing, and even before that, I have been thinking to ask this question: Is it possible to establish a separate institute regarding a single "subject matter"? Because as you said, many documents must be obtained from several places, frequently in the form of copies.

[Litvan] Not only is it possible to have a separate institute, one has to have one by all means. For example, several research institutes in Paris deal with the French Revolution. We are dealing with peculiar resource material. In many instances we are not only unaware of what kinds of documents we may find, but we are not even certain whether such documents exist. Exploring the sources that can be found and collecting the materials is our task which must not be delayed.

[Muranyi] Do I understand you correctly then that the primary function of the Institute is to gather and systematize documents?

[Litvan] That is correct, but in the meantime, we endeavor to streamline research activities at various places where we conduct research, and to write monographs about individual topics of detail. Perhaps it will suffice to mention that Janos M. Rainer, by now a noted researcher of that era, is working on an authentic, documented history of Imre Nagy's life, activities and death. But a number of great tasks are still before us: the establishment of a comprehensive information system, the preparation of various registers, an analysis of the press and the establishment of a photographic archive.

### The Duty of the Contemporary

[Muranyi] All this requires many years of work. Is there a guarantee that the 1956 Institute is not going to suffer the fate of the Brussels Imre Nagy Institute, i.e., will you have enough money?

[Litvan] Relative to this question let me return to the subject we discussed previously. It is possible that the establishment of this Institute was not meant forever, it is possible that the Institute becomes part of something else once the work I just discussed is complete. But at this time our tasks require concentration. We plan to produce a number of publications. I have in mind here the memorial meetings held in 1983 and 1986 under illegal circumstances and the minutes of the scientific conference, as well as the publication of articles related to 1956 which appeared in the Brussels institute's publication SZEMLE. We must complete publicizing the authentic minutes of the Petofi Circle, and the associates working at the Institute have an order from the textbook publisher to prepare a so-called handbook which supplements textbooks, this history of 1956 will be learned by students beginning in September. And as far as sustenance funds are concerned, the amount provided by the Academy, as well as funds provided to the TIB [expansion unknown] will be sufficient to build our organization. We are looking for additional sponsors both in Hungary and abroad, and we believe that the National Assembly which made it a point to perpetuate the memory of 1956 as the first law it passed would not be satisfied with words only.

[Muranyi] Accordingly, was the establishment of the 1956 Institute a political question?

[Litvan] That too, but it primarily involves a historical task. And for this reason, we want to collect material and data from both sides of the barricade.

[Muranyi] I must also ask you this question: Based on past experience, to what extent is it possible to conduct research relative to 1956?

[Litvan] To an increasingly greater extent. One can feel that conditions for research improve week after week. I have come to this conversation from the research room

of the former Party History Institute. I was reading there the minutes of the first meetings the MSZMP [Hungarian Socialist Workers Party] held after 4 November. No one knew thus far, that as of 11 November it was possible to say, moreover, that Lajos Feher and Gyorgy Aczel were able to introduce a resolution to the effect that Imre Nagy should form a separate Workers-Peasant Party. In other words, various archives are in the process of opening up, the big question is when the archives of the Ministry of the Interior become accessible to researchers. But the truth is that even in this respect our negotiations are encouraging.

[Muranyi] Nowadays they argue on grounds of "privacy" rights, this is why certain documents cannot be researched. Is there a need for new regulations concerning archives?

[Litvan] There is a great need for new regulations mainly in order to provide access for researchers to documents, but at the same time, no opportunity should exist for taking personal revenge.

[Muranyi] In your view, at what time will we be able to discuss 1956 only in terms of history?

[Litvan] During the initial decades of the next century. Personal emotions and interests must cease first. But even until then, we the witnesses, the participants have certain obligations.

[Note] (The 1956 Institute will make its "official" debut in June in the course of an international conference organized in Budapest. The topic of the conference: "1956 Institute in Hungary in the Process of the International Disintegration of Stalinism.")

### Police Investigation of Zwack Fire Incident

AU1406085791 Budapest MTI in English 1731 GMT  
12 Jun 91

[Text] Budapest, 12 June (MTI)—The fire that destroyed the Budapest flat of Peter Zwack, Hungary's former ambassador to the United States, on 19 April may have been an arson attack. For this reason, the Hungarian police have launched an investigation, a police spokesman said.

Police experts have come to the conclusion that petroleum or fuel oil were burning in several places of the flat, spokesman Gyorgy Suha told MTI on Wednesday. However, the possibility of a bottle containing petroleum or fuel oil being thrown in from the street has been ruled out, he added.

Since leaving Hungary on 21 April, Zwack is yet to be interrogated by the Hungarian police.

Zwack was recalled from his post some days before the fire after his public criticism of Foreign Minister Geza Jeszenszky and call for his resignation.

**Prospects for Barter Trade With Soviet Union***91CH0569A Budapest HETI VILAGGAZDASAG  
in Hungarian 6 Apr 91 pp 83-84*

[Article by Ivan Lipovecz: "Hungarian-Soviet Trade: Cordon Rouge"]

[Text] Only with some difficulty were members of the Hungarian delegation negotiating at the Soviet Ministry of Finance able to leave the building last Thursday. The hermetic seal imposed by the police around central Moscow was so tight that even official vehicles were unable to get through. However, it is not only symbolically that today's domestic political and economic situation in the Soviet Union has drawn a "cordon rouge," preventing Hungarian exports from materializing, and Soviet debts from being collected.

Hungary's state administration has lost yet another illusion, although it is not impossible that in the process it has also gained certain experiences that it may be able to put to good use in the future. This is the first impression of a journalist returning from Moscow after the "Kupa team's" negotiations in that city last week. The illusion which must be written off once and for all is that the only things standing in the way of signing letters of credit are technical, and perhaps some financial difficulties, in other words the notion that it is alright for Hungarian exporters to ship products to the Soviet Union without valid orders for payment, i.e., without charge or on credit. It appears completely certain now that the chances of receiving hard currency payments for 1.7 billion dollars worth of Hungarian exports calculated on the basis of so-called indicative lists, are practically nil. Which, in hindsight, makes one wonder about the utility of compiling such lists.

Those who stood by, allowing more than one-billion-rubles worth of Hungarian collectible assets to increase to a full 2 billion, and who seriously thought that by putting together "indicative lists" reminiscent of the plan coordination practices that governed bilateral trade in the past, could continue virtually unchanged, or at a somewhat reduced volume, perhaps, had precious little understanding or foreboding of the impact which political disintegration and economic and financial bankruptcy in the Soviet Union would have on our country. Fortunately, by 1990 there were already a good number of enterprises that had "gotten the message" in time and changed course away from Moscow, not only toward the West, but also toward the increasingly independence-minded Soviet republics and the economically more and more powerful local "nachalniks." For in this "bazaar-like" market, as Deputy Prime Minister Szi-tarjan has described conditions in the Soviet Union, it is not necessarily the cadres in the political center who make the final decisions when it comes to barter deals.

The center, of course, continues to try to assert control over these processes. Presently, however, its freedom of action in this area is curtailed by the day-to-day problems of servicing Soviet debt obligations. The Soviet

Union boasts a \$60-billion foreign debt, matched, by estimates of its own experts, against convertible revenues of only \$10 billion. In 1991, this is probably considered a world record, compared with Hungary's ratio, for example, which is exactly half of the Soviet figure. Hence, and they come right out and say it, they have no intention of using their hard currency earnings immediately to make new foreign purchases. To the contrary, they are putting 40 cents of every dollar earned toward servicing their debts, in the case of oil exports they are using 100 percent of their revenues for that purpose, and of the remaining 60 cents they are promising to put only about 40 back into foreign trade. At the same time, they also have to compete, in part with the republics, and in part with the enterprises themselves, over the distribution of the revenues generated by the most valuable export items, such as energy sources and industrial raw materials. Every new miners' or railroad workers' strike, and every shut off—even if only temporary—of the oil valves potentially strengthens the economic position of local factors at the expense of the center. As a result of these stoppages the economic output of the Soviet Union has declined by 6 percent already in the first two months.

The opportunity that flashed before the delegation headed by Mihaly Kupa, i.e., that the other side might be willing to "beribbon" 40 percent of the import equivalent paid by the Hungarian side, and spend it on Hungarian export products, in practice would mean deliveries of \$2.5 worth of imports for the production of every "Soviet dollar" if clearance were to be kept hard-currency based. This is obviously nonsense, so Hungarian exporters have no other choice but to engage in an eye-for-an-eye, product-for-product type of barter trade, which although quite desirable, officially is still forbidden by presidential decree. Those with the necessary local knowledge in fact insist that despite the chaotic state of production and supply, there really are basic commodities in the Soviet Union that can be bartered, although these products may not necessarily be controlled by the central authorities. So our target should be the bazaar, with all of its unique players and rules.

The problem at this point is that from the point of view of the national economy, barter ratios have become impossible to assess, although it is obvious that a bargain arrived at by two parties holds mutual benefits, this does not mean for a second that they have made a good deal when examined in a different context. According to one of the deputy prime ministers of the Russian Federation, barter for them would remain the most important form of international trade for at least another 3-5 years, irrespective of whether or not it will still be the all-union, or already the republic agencies issuing the export and import licenses. The other option that can help exporters stay in the market place is credit. On the Soviet side, this possibility has been raised not only in theoretical and general, but also in concrete terms, particularly with respect to Hungarian machine and grain shipments. But it does not matter: in hard-currency trade the position of

these commodities, when viewed in international commercial comparison, will also significantly "weaken."

Those who can afford it will prevail: the Germans, for example, have made another multibillion DM commitment. Hungary, however, is hardly in a position to mobilize excess reserves for this purpose. Moreover, international financial institutions would also find it difficult to understand if credits received from the West suddenly became resources to be allocated to the East, as it was done in the second half of the 1970's, during the first phase of Hungary's indebtedness. The possibility of staying in the Soviet market, as last week's negotiations in Moscow made it unequivocally clear, is something which most enterprises will have to struggle to earn for themselves, and the venue of government-level coordination will soon be transferred to the republic centers.

### **Siklos Advocates Infrastructure Investment**

*AU186135191 Budapest UJ MAGYARORSZAG  
in Hungarian 15 Jun 91 pp 1, 5*

[Interview with Csaba Siklos, minister for transport, water affairs, and communications, by Jozsef Peter; place and date not given: "Telephone, Water, and Train"—first paragraph is UJ MAGYARORSZAG introduction]

[Excerpts] Transport has been treated as the black sheep of the economy for many decades. This ministry continues to have serious problems today, although certain processes started in 1990 which already show some results and which will serve as a basis for the future. We asked Csaba Siklos about the successes and failures of the past year and the future tasks.

[Peter] You are probably the minister with the most diverse portfolio, because all of water affairs and the also complex communications, along with transport, belong to your ministry. To what extent does the diversity of activities make it difficult to direct your ministry?

[Siklos] The structure of the area does not by itself determine the successes and failures of a ministry. It is true that only two countries in Europe, Hungary, and the Netherlands have this structure. The various sectors are independent in other countries. One thing is certain though, that all our sectors perform very similar activities for the simple reason that they are all part of the infrastructure. The difficulties do not come from this, but from the fact that the whole area has been neglected. For many years, the most we had were words about the need to develop our infrastructure, but these words were not followed by deeds. All this happened in a country which was one of the first in Europe with a comprehensive transport concept. [passage omitted]

### **The Last Become First?**

[Peter] You once stated that the cardinal point of our joining Europe is the lifting of our transport infrastructure to an international level. To do this, we first need

money. Your ministry has always been at the end of the line when funds were distributed, and your financial possibilities remain limited. Will you have the funds for development?

[Siklos] If our sector does not receive the necessary development potential, the economic upturn will not happen. We will not be able to lure foreign capital into the country, set up industry, and do business, if it is impossible to use the telephone, to quickly get from one place to another, if there are no reliable transport routes, and no sewerage in the villages. We will have no chance to join with Europe if we do not facilitate it by creating a proper infrastructure. Although I know that our country inherited large debts and it is not desirable to increase them, I still say that it is in our vital interest to take up more loans in order to carry out the aforementioned tasks, namely, to build roads, modernize the railways, make shipping attractive again, and build water pipes at places where there is not yet adequate drinking water. Naturally, we will also have to develop a modern telecommunication system. We must not only think in terms of telephones here, but also in terms of all those services that are indispensable for banking and trade today. We can only expect an upturn in the economy once we manage to accomplish all these tasks.

[Peter] What does your ministry expect from privatization? Would that help find the required sums for your development?

[Siklos] Privatization is necessary and possible in certain areas of our ministry. At the same time, we have some areas where the possibilities created by privatization would not mean a cure-all as they do in trade for example. However, it is a fact that the large national organizations built up parallel spheres of activities in many respects, and these are not necessary. I mainly think of construction and maintenance tasks, which can easily be given into private hands outside the given organization. We encourage our enterprises to separate these kinds of activities through privatization and in competitive conditions. [passage omitted]

### **Actions Have a Price**

[Peter] Aware of the tasks of your ministry and your tight financial situation, let me ask you how optimistic are you regarding your second year in office?

[Siklos] Let me start my answer with a little diversion. Each year, the inadequacy of our public road system results in a loss of some 70 billion forints, while we only have 180 cars per 1,000 inhabitants. This is only half the Western average! A policy that does not recognize the importance of developing the road system is very short-sighted. I hope that next year will bring a breakthrough in this respect, too. If we neglect this area, everything will collapse. Having an adequate road system is not only in our domestic interest, but foreign countries are also interested in not getting stuck at the Hungarian border. This dual constraint contributes to my optimism. In addition, more and more people understand the truth in

the following statement by Ferenc Deak in 1848: "Those who like freedom should also like the costs of freedom. If we want deeds, we have to pay for them. The tasks of a responsible government cannot be executed free of charge."

### **Kadar, Kupa Economic Strategies Said To Clash**

*91CH0609B Budapest NEPSZABADSAG in Hungarian  
4 May 91 p 6*

[Article by Akos Valentinyi: "One Government, Two Programs"]

[Text] After nearly a year in office, by this spring the government produced an economic-policy program bearing Minister Kupa's hallmark. Then several of the other ministries came out recently with programs for their own areas of responsibility, but linked to the finance minister's program. The existence within the cabinet of a unified concept of what measures must be taken is unquestionably one of the conditions, but by no means the only one, for the success of economic policy. Therefore it will be worthwhile to analyze how the ideas of another prominent cabinet member, Bela Kadar, regarding the strategy of external economic relations fit into the Kupa program.

The Kupa program essentially employs a macroeconomic approach. Its primary objectives are:

- To fulfill our debt-servicing obligations.
- To curb inflation by means of strict fiscal and monetary policies (if need be, even at the cost of a temporary sharp rise in unemployment).
- To stimulate the economy on the basis of an export surplus which, the program hopes, will trigger economic growth.

Linked to these objectives in the program are the development of the market economy's institutions, the continuation of deregulation, and the curtailment of state intervention in the economy, which would enable the market mechanisms to gain scope. The primary task of external economic relations strategy in this concept is economic diplomacy, the development of trade, the collective stimulation of export, and the establishment of foreign trade's still lacking institutions, which would help our entry into export markets and the influx of operating assets from abroad. But specific financial interventions are merely a minor task of external economic relations strategy.

### **It Does Not Fit**

What Mr. Kadar has prepared, however, is not an external economic relations strategy, especially not one that fits into the Kupa program. For, to achieve the objectives he considers desirable in external economic relations, the minister in charge of external economic relations intends to pursue—according to his program—agricultural policy, energy policy, infrastructural policy, investment policy, development policy, budgetary

policy, exchange rate policy, monetary policy, and credit policy. The indications are that Mr. Kadar has not been bothered particularly by the fact that nobody asked him to prepare a comprehensive economic-policy concept. That, namely, is Minister Kupa's responsibility. In spite of that, of course, Mr. Kadar's concept could still have fitted into the finance minister's program, but it does not.

The fight against inflation ranks first in the Kupa program, which regards this as the key element of stabilization. By contrast, however, the general program of economic policy prepared under the auspices of Mr. Kadar, but presented under the guise of an external economic relations strategy, does not even mention inflation. Naturally, we find in it his customary demand to devalue the forint in the interest of export expansion, regardless of the devaluation's inflationary effects. For some odd reason, the material is reticent about the possible inflationary effects of the measures that Mr. Kadar is planning, of his financial interventions in particular, and about what countermeasures would be needed if they are inflationary. The situation is the same regarding convertibility, in conjunction with which the ministry apparently has nothing to do in the area of regulating external economic relations.

### **A Time Machine Into the Past?**

Besides privatization, another fundamental element of Minister Kupa's concept is the development of the market's institutions and curtailment of the state's role. His contention is that "the expansion of export can be sound when production takes place under the conditions of a market economy." That is a break with the planned economies' proposition that industries and enterprises granted special treatment and benefits will be able to produce at a level that even the world market recognizes. Practice has not borne out that proposition.

By contrast, Mr. Kadar has come out with a program which, considering its spirit and recommended therapy, could easily have been prepared five to ten years earlier. His basic premise is that, "employing a market approach," a new type of state role is necessary because the market mechanisms are weak. Which means in part, even according to him, the continuation of a business-friendly policy. But perusal of the material reveals that Mr. Kadar has something entirely different in mind. He would like to have control of various funds and moneys (the Investment Fund, Market Switching Fund, Export Development Fund, Trade Development Fund, allocations for central bank discounts), to be able to provide state resources on favorable terms, for the development concepts and the enterprises that his ministry deems worthy.

There is hardly anything in the material about the selection criteria to be employed. But formulations reminiscent of the slogans of socialist investments at one time—"government measures to help develop engineering industry's promising areas," for instance—

indicate that decisions would be made on an ad hoc and case-by-case basis, similarly as under the decisionmaking mechanisms of years past.

Because the program, with its "new type of state role," is strongly interventionist and thinks in terms of enterprises dependent on the bureaucracy, preferably on the Ministry of External Economic Relations, it is understandable that the material is completely reticent about the future deregulation measures that the Kupa program calls for, and which obviously will affect external economic relations as well. Although the liberalization of export and import has made spectacular progress in recent years, there still are countless, seemingly insignificant regulations that are hampering entrepreneurship.

### Pigeonholed Moneys

Besides state intervention, selectivity could be the other keyword of Mr. Kadar's new concept of economic policy. It means, on the one hand, that deserving industries and enterprises must be given low-cost loans from state resources. And on the other hand, that also the central bank's resources must be used for this purpose. The Kupa program expects that, in monetary regulation, an independent central bank will shift its emphasis from allocations for discounting, to open-market operations; in other words, that monetary regulation will become more and more unified. But the external economic relations strategy is proposing different allocations and conditions for discounting, tailored to different objectives. This would be a step back toward a monetary system characterized by isolated spheres of money; in other words, the pigeonholed nature of the moneys would be reinforced. Hungarian economists have written enough about the harmful effects of that.

The Kupa program, in my opinion, contains contradictions; nor is the road leading to a set objective always clear. Nevertheless, nobody can truly dispute its objectives, mode of approach, and its philosophy. But Mr. Kadar's notions of general economic policy, disguised as external economic relations strategy, profess principles diametrically opposed to the Kupa program's concept, which uses market forces for its centerpiece. They place the main emphasis on state intervention and want to revive institutions and measures that were last used in this manner in the mid-1980's, in the failed attempt suggested by the planned economy to boost economic growth.

**Posta Bank President on Bank's Success, Future**  
91CH0629A Budapest HETI MAGYARORSZAG  
in Hungarian No 18, 3 May 91 p 12

[Interview with Gabor Princz, Posta Bank chairman and president, by Iona Laszlo; place and date not given: "Gentlemen, Create a Bank! Given: 3,200 Post Offices; The Story of a Teddy Bear"—first two paragraphs are HETI MAGYARORSZAG introduction]

[Text] There is no denying it, Gabor Princz, chairman and president of Posta Bank is the kind of new, leading professional rightly missed by so many in Hungary.

He did not fall into either his Daddy's or Uncle State's cushioned chair, and not even into the director's chair of a state institution that has been renamed and became a limited liability corporation.

[Laszlo] How did you become the president of Posta Bank when you had barely reached the age of 30?

[Princz] I was born in 1956, I am a Pisces. I majored in foreign trade and graduated from the Budapest University of Economics. The truth is that toward the end of my university studies I felt that something disturbed me. I found economics to be incomprehensible. I know that this is a very fashionable trade today, but I am disturbed by what made economics fashionable. Figures and theories with no responsibility—money is something else. It is tangible and controllable. In other words, this is why I chose the banking profession immediately after I graduated from the University; I was hired at the MNB [Hungarian National Bank].

[Laszlo] Common parlance has it that the MNB multiplied by way of mitosis, i.e., it divided its own money between the various banks and said that they should manage that money independently. How much freedom do the various banks have?

[Princz] This issue can be understood only in the framework of its process. Hungarian banking system reform began in 1987. Nothing more took place at that time than the separation of various account managing, so-called commercial banks from the MNB, and the large enterprises were simply "allocated" to the new financial institutions. Accordingly, only the form changed, the quality did not. Today's banking system is colorful, and this is good. That's how it is everywhere in the world. What is missing is a uniform internal order. But this is only a matter of time. Quite appropriately, the banks are being accused of clumsiness. The banks suffer the same way from this clumsiness as the clients. But as I mentioned already a change of this magnitude requires time, and since money is not a theory, and since accounts are balanced each and every day, I am able to provide information concerning the bank's funds each and every day. The banks enjoy great freedom after all. We can be held accountable only by our business clients and our stockholders with respect to investments and support provided by the bank. Therefore, we must manage well the money entrusted to us if we want to survive. Confidence would be lost otherwise.

[Laszlo] Let us return to your personal career. You did not transfer to any of the subsidiary banks when those were taken out of the MNB.

[Princz] In March 1988 I received nothing but an empty room, three associates, a table, four chairs, and a ream of A/4 paper at the Moscow Square post office. But with all that I also received what counts most: an opportunity.

The president of the postal service had this much to say: "Gentlemen, create a bank!" I can verify this. I was a postal service employee for two months. In June 1988, the Posta Bank was established with 2 billion forints of capital stock. Soon we will be celebrating our third anniversary. What I'm really proud of is that as a result of the work of a young team we turned into one of the large commercial banks out of a small service provider bank. Our present capital stock amounts to 4 billion forints and I will not mention our volume of business. Posta Bank is among the five or six largest banks.

[Laszlo] People like to learn about the path that leads to success. Which of your perceptions did you regard as very important?

[Princz] The concept of providing service of a kind which considers the country we live in as its base. Opportunities available to the populace, ways in which we could provide something new. In general, ways in which we could serve the people well among the just starting, newly organizing banks. Given were 3,200 post offices throughout the country. Posta Bank is the only bank in Hungary which permits the little man to travel freely with a deposit account book in his pocket, without worrying throughout his trip about his cash being stolen. The individual service provided by Posta Bank consists of the fact that a person opening an account at a post office is able to withdraw the needed funds at any post office in the country. We need banks that operate in a useful manner, banks which take the interests of their own people to heart. This is because confidence is also the foundation of capital accumulated in the world's large banks.

[Laszlo] Then let's discuss the stumbling blocks presented by banks. Tellers close their windows in every bank at 1300 hours. Whoever has some business in banks must either take leave or sneak out of the workplace. Another case: An American money-man comes to Hungary for two weeks. He has become accustomed to not carrying cash of course, but he would like to transfer funds to a Hungarian bank in order to establish a firm. Transferring the funds takes a minimum of three weeks. Since he does not have that much time, he returns home angrily, while complaining to everyone about the impossible slowness of the Hungarian banking system. What is your view?

[Princz] The reason is the difficulty of transfer between banking systems; the entire banking world is "moaning." But the truth includes the fact that we need computerized systems of a kind we could not even think of until recently, because such systems were on the COCOM [Coordinating Committee on Export Controls of NATO] list. We will continue to be cursed for a few more years because of the difficulty of transferring funds. Only this much about foreign investors: Whoever is serious about actually investing in Hungary will be able to wait three or

four weeks. A long-term business must not stand or fall on this time period. And only this much more: transfer of funds does not take one day in Western countries either.

[Laszlo] You made several references to the people's confidence. This works both ways. Whoever deposits his money in a bank will expect that the bank manages his money well. Banks offer a special "service", the so-called sponsorship. On occasion one can only wonder about the grandiose attitude of one or another bank. What do you, as the leader of Posta Bank regard as important in this area?

[Princz] Sponsorship is part of the relationship of confidence between the bank and the citizen. We manage the moneys of small and large investors, and of stockholders. They have a right to expect that we manage their money well. A dual task always exists. Every bank supports institutions and things that are important to society, and about which it does not inform the public through advertising. Doing so would be in bad taste. The most important sponsorship function of Posta Bank is the support of sick children. In such cases our own financial possibilities set the limit. The other method of sponsorship is advertising indeed. But it is advertising in the good sense of the term. Financial support provided to the Illes concert last fall at the People's Stadium was one of these things. That event was not only a concert, I regarded the cause as important, the fact that it brought together so many people in the framework of a spectacular, huge program. And I will not deny this, in such cases we expect that the advertising provided for Posta Bank be commensurate with the amount of money invested.

[Laszlo] Do you like money?

[Princz] Yes, I do. It's a good feeling to spend. There is only one thing I like more than money: the knowledge that whatever I spent was acquired by me as a result of work and ideas. I will emphasize that most employees are young at this place. We have 600 permanent employees. In due regard to foreign tourism in the summer, we will introduce a new feature: some banking offices will also be open on Saturdays and Sundays. If you walk by the Nador Square building you can often see the lights turned on in the evenings as well as on holidays. I regard this to be as natural as the requirement that the 600 people who work here earn a good income.

"Did you come by car?" he turns to me unexpectedly, and takes a few determined steps toward the door.

He returned with the teddy bear wrapped in nylon, half the size of a human being. He put it on my lap.

"You didn't come by car, therefore, shouldn't I pull a dirty trick on you?" he asked, but his eyes smiled. Well, who could resist a teddy bear of this size?



**Cimoszewicz on Elections, SdRP, PLKD**

91EP0504A Warsaw *POLITYKA* in Polish No 20,  
18 May 91 p 3

[Interview with Wlodzimierz Cimoszewicz, chairman of the Parliamentary Club of the Democratic Left, by Marian Turski; place and date not given: "Difficulty of Being in Opposition"]

[Text] [Turski] Do you intend to run for parliament?

[Cimoszewicz] Yes, in an election alliance created by the left.

[Turski] Is there a chance for such an alliance?

[Cimoszewicz] There is, although divisions of the left may last for some time longer, and it is hardly likely they will be overcome before the parliamentary elections. To sum it up, I would not want to be tied to one political organization only.

[Turski] That means you would not want to be only on SdRP's [Social Democracy of the Polish Republic] list?

[Cimoszewicz] I think SdRP would make a grave political error, which would weigh heavily on this party as well as on the whole Polish left, if it wanted to run in the elections only under its own banner. As we know, however, it does want a wide alliance.

[Turski] Do you see a possibility for your candidature to be proposed by a group of citizens, or an informally formed election group? Will you try to find such a group, as you did before the presidential campaign?

[Cimoszewicz] I do not intend to wait until my candidature is proposed by a party or an alliance. I am prepared to form an electoral alliance with others.

[Turski] Just today, in the morning radio program "Points of View," someone introduced himself as a spokesman for the Christian-National Union and called for alarm, because "communism is at the door" and may seize power again. What do you think about this?

[Cimoszewicz] I was listening to this statement while shaving and I could not laugh as hard as I wanted to. I did not even realize what a force communism was: it spreads in mass media, it gets funds from two thousand companies, the lay left clings to it, those who just yesterday, during Mazowiecki's term, were at the helm. At the same time, this spokesman was trying to appeal to retirees and pensioners. Speaking seriously, this is a clinical case of how one of the little extremist parties is looking for a recipe to attract electoral clientele. On the one hand, it threatens with communism, on the other, it employs a populist manipulation of social slogans.

As far as we are concerned, I would be glad if we were as strong as the spokesman described us. Unfortunately, the post-PZPR [Polish United Workers Party] left is quite weak and I worry about its state of being. Unfortunately,

there is no possibility in sight of an alliance with the post-Solidarity left. This is it, unfortunate.

[Turski] People from the right say publicly that the left blocked the dissolution of the parliament by slowing down the passage of the election law.

[Cimoszewicz] It is an empty statement and untrue. It was the left that was interested in having the election law passed as quickly as possible.

[Turski] In that case, who was blocking it?

[Cimoszewicz] I would not accuse anyone of conscious blocking. Every week a completely new election bill would be introduced and the discussion would start anew.

[Turski] Half a year ago, in an interview for *POLITYKA*, you said that the idea of holding the elections sooner was adventurous politics.

[Cimoszewicz] I said that in different circumstances. I would like to reproduce the thinking process in August 1990. At that time, I believed that the logical sequence for the presidential and parliamentary elections should be contrary to the one that was adopted. What were, and are, the arguments for giving enough time to an election campaign? Political parties are not yet shaped. They do not yet function and people do not know them. Political parties do not offer different programs yet. We have to have the elections, however, because Poland is the last country where free democratic elections have not taken place. This is a certain paradox. It is difficult to imagine a sensible, rational election procedure in which voters will not choose among programs but among incidental propositions. We are witnessing the emergence of ephemeral election groups which produce artificial programs. As a result, we will have, in a sense, fraudulent elections, because many political groups, formed before the elections will disappear probably in a matter of a few months and there will be nobody to pay for the election promises.

[Turski] The thinking process is correct, but you did after all say a month ago in the parliament that the elections should not be postponed.

[Cimoszewicz] It was for the following most important reason: Decisions are being made that reach ever deeper into the character of our economy and the Polish social profile. I am for market economy, but the problem is that from among the many possibilities of economic and social reforms we are taking the most "rightist" direction. We should determine today whether the society really wants to follow this route. The Government should not implement things that are irreversible or the reversal of which will be terribly costly.

[Turski] What do you mean?

[Cimoszewicz] For example, the so-called endowment with ownership rights. The idea to give every citizen a



piece of the pie. This brings a threat of gigantic manipulations, of gigantic, if not necessarily deliberate, cheating. It threatens not only with the destruction of the state's financial system, but also with a collapse of the whole stock market. It may lead to gigantic, covert at the beginning but overt later, transfers of property in society.

[Turski] On whose part, and how?

[Cimoszewicz] I intend to tell the people: a fraud straight from a novel. In Bulgakov's *Master and Margerita* there is the following scene: money is falling from the sky, people are collecting it, filling their pockets, mighty happy they have become rich, but when they come home they see they only have pieces of grey paper. The same trick is being contrived for us under the slogan of endowment with ownership rights. I do not know if people will want to accept my arguments, but they should listen to them. They should know that the stocks they receive for free will be worth nothing in a week or a month. The result of this whole operation will be that about 10 percent of the society will take over the overwhelming portion of the national wealth, and the rest will have nothing (the factual situation of today, only that at the moment people have some formal claim to common ownership, and then obviously they will not). I would like to warn them against it. Those who intend to get rich through this operation should also be warned that they are preparing their own doom, maybe unconsciously. They have to be warned that they will create circumstances for a Bolshevik revolution, that there will be another revolution in this country which will wipe them out. I do not imagine that the society, after it realizes it has been terribly cheated, will take it calmly and not react.

[Turski] Which stocks will turn into pieces of grey paper?

[Cimoszewicz] They will not even have enough time to turn because the temporary owners will get rid of them. Let's try to look at this from the psychological point of view. A great amount of stocks will be thrown on the market. These will be stocks to which an average owner will not have the attitude of a true owner of property. It will be the attitude of a lucky finder. You will agree that you will not spend the money you have earned very hard on a dinner in the Marriott. It is a different matter if you suddenly find a lot of money in the street.

[Turski] What is the analogy?

[Cimoszewicz] People will get stocks for free which are not worth much, but we may rest assured there will be someone to announce a desire to buy them. Now let us imagine I have such stocks in my pocket, and I need some extra cash to buy a small Fiat, the price of which has jumped enormously, or to pay for a cooperative apartment, so I get rid of my stocks to get the money. Their price will be low because of the great supply. There will be a sudden drop in their value and everybody will throw their stocks on the market to get at least something out of them. The circus will be the same as in *Master and Margerita*.

[Turski] What is the conclusion?

[Cimoszewicz] We have drawn the right conclusion: We have affirmed publicly that the logic of the political process requires a shorter term of office and early elections. We have been very upset with the continuation of government's concepts which are not legitimized by the society and which the society should verify in elections. In 1989, two years ago, people voted against the previous social and economic system, but they did not vote for what is being done in Poland now. It is time to say to the present ruling forces: No, dear sirs, you do not have a clear social mandate.

[Turski] Who will gain, who has lost, in your view, because of the postponement of the elections until the fall?

[Cimoszewicz] It is difficult to say who will gain, it is easier to say who has lost. Certain populist demagogues will probably gain. It seems that the Solidarity camp is losing, as the one identified with the present economic and social program. That is why I am not surprised that various groups of the post-Solidarity camp are trying to present new ideas to oppose government ones. The Democratic Union is doing that; we can see it in today's decision of Solidarity leadership regarding the antigovernment protest action (planned for May 22). It should be noted that the postulates these groups present now reproduce what I and my colleagues have often said in the parliament. When I hear Waldemar Kuczynski today defend state enterprises, arguing that the State Budget cannot be healthy if the state sector is sick, may I not feel bitter satisfaction? Or when I watch the behaviour of the Center Accord, which clearly wants to run away from the wrecked government ship?

Everybody can see that those who are identified with the uncompromising, hard economic line will lose.

[Turski] Jan Krzysztof Bielecki, however, got quite a few points in public polls....

[Cimoszewicz] It is true. I explain it by the following reasons: First, people had expected a totally liberal free market approach to the economy on the part of the government and they were pleasantly disappointed; second, there were undeniable successes of the government abroad.

[Turski] What is your estimate of the first 150 days of your recent rival, that is the president?

[Cimoszewicz] In internal matters I do not see any success yet. It is true he has achieved quite a bit abroad, but in the life of the country he has little significance. He has not carried out his promise: I will be everywhere, I will correct everything. On the other hand, I never expected this to be realistic. His foreign activities are impressive although, except for the reduction of debts, his visits have not had great significance for the country. All those shows of politeness and spectacle....

I cannot see the president as separate from the activities of Bielecki's government. Bielecki is a man nominated by the president. If we are now facing dramatically growing tensions in the areas of employment and social security, health care and education, may the president not share the responsibility?

[Turski] What is your estimate of the president's role as an arbiter?

[Cimoszewicz] In my view he does not play that role. I will give a simple example: the range of his consultants, the people with whom he surrounds himself, isn't this evidence of his one-sided choice? It is definitely not pluralistic, not even in terms of different wings of his own camp. Frankly speaking, though, I expected nothing else.

[Turski] Does the Parliamentary Club of the Democratic Left [PKLD], which you are leading, represent currently a definite group interest?

[Cimoszewicz] We have not endorsed any concrete interest and we have not represented any. We tried increasingly, however, to improve what the government did, proposed, and brought forth in the parliament in terms of legislative solutions. It was our club that demanded a more responsible approach from those showing off political initiative and forcing certain solutions. When last spring the self-government reform was launched, it was our club that pointed out it was a badly prepared, irresponsible political event.

It should be noted that our club was the only one that unequivocally opposed the budget proposal as unrealistic. Facts confirmed we were right. We predicted the budget would collapse in the fall, but unfortunately it happened even earlier.

[Turski] You did vote, nevertheless, for the budget in the parliament....

[Cimoszewicz] It is true. A number of deputies were influenced by the power of Balcerowicz's argument. Ninety deputies, however, from our ranks either voted against it, or abstained.

[Turski] Have any differences appeared within PKLD between those who had belonged to the old nomenklatura and those who were elected to the parliament in spite of the old party apparatus?

[Cimoszewicz] Two-fifth of deputies of the former PZPR Club have left, many among them who had held a high position. We do have quite a few deputies of the former nomenklatura, but from the middle voivodship level and, in a major part, from the reform wing of the PZPR. We have a certain problem with deputies of the former economic nomenklatura. These, in general, are people with a lot of initiative, who often take care of private business and do not have enough time (or desire) to take active part in the club's work. In general, the degree of integration and community is quite high in the club.

I would like to take this opportunity and tell you about a certain initiative of ours and mine. In the near future I intend to establish the Social Initiative Foundation under the name Poland in Europe. The Foundation will support activities of educational, informational, and publishing nature aimed at shaping a modern state based on parliamentary democracy, individual freedom, tolerance, and a neutral world outlook. We want to aid people, of every descent, who stand for and want to defend such values. We will also, or may be even primarily, aid people outside of the existing organizational and party structures. Those interested are invited to my office in the parliament.

[Turski] How many PKLD deputies, do you think, will decide to run in the elections?

[Cimoszewicz] Some months ago we circulated an anonymous questionnaire in the PKLD, in which we asked our colleagues, among other things, about their political plans. An overwhelming majority of them said they had no intention of continuing their political activity in this public dimension after their term of office. A major part [of the club] is also psychologically tired.

[Turski] Is it frustration, tiredness, or a lack of fighting will?

[Cimoszewicz] The former PZPR Club, and then also the PKLD, were in a defensive position. This was a psychological reaction to the political failure in the June elections and to the actions of the Citizens Parliamentary Club. People from the parliamentary left (as well as people from Solidarity) did not expect the accelerated speed of changes. They did not foresee that they would, so quickly, find themselves forced into being in opposition, adopting oppositional moves as the only logical role. Most of us never played such a role. The change to oppositional thinking was difficult and often not wanted. It was a struggle between the style in which a lot of us had been brought up, the way of thinking in terms of the state, and the sudden possibility, or even duty, to criticize and scrutinize the government. An important psychological note: Subconsciously (and consciously) we were afraid our criticism would be taken as attacks because we had lost. Whenever in those days we presented critical opinions, critical but constructive, we were told: You have no right to represent the society.

[Turski] A question in political psychology: Can you establish friendships with deputies of totally different orientation?

[Cimoszewicz] I would lower the temperature of the question one or two degrees. Friendship is a big word. If you asked about friendly relations, then I would not hesitate to answer yes.

[Turski] Are you an introvert?

[Cimoszewicz] Probably yes. I can say, though, that I have an affinity with many former Solidarity people and share with them the same ways of thinking and of seeing

things. We are not divided by prejudices. A lot of irrational barriers have been broken, but only among a portion of the deputies. Unfortunately, but perhaps it is logical, with some deputies barriers have grown stronger, especially those representing the extreme, combatant right. It is not even a matter of political ideas, but fanaticism or blind passion, and a way of carrying on one's argument. I do not like anyone to try to convince me while hitting me with an ax or a cross.

[Turski] Thank you for the interview.

### First Issue of KRYTYKA Reviewed

91EP0495A Warsaw *POLITYKA* in Polish No 19,  
11 May 91 p 5

[Article by M.T.: "Tell Us Once Again: What Was It Like?"]

[Text] KRYTYKA has emerged from the underground, rather late in the day, but to great effect. The "new" publication will come out, and the composition of the editorial board remains unchanged (J. Kofman as editor in chief, M. Beylin, P. Lukasiewicz, A. Michnik, R. Mroziewicz, R. Zakrzewski). The preparation of this "legitimate" issue has taken a long time, but for all that it has been very careful and comprehensive. The authors of the papers, compositions, and essays include Bronislaw Geremek, Zbigniew Herbert, Gustaw Herling-Grudzinski, Jerzy Hlyk, Jerzy Jedlicki, Jan Kieniewicz, Adam Michnik, and Czeslaw Milosz. I did not mention Prof. Marcin Kula, because I want to present readers some excerpts from his perceptive essay, "Coming Out in English Style."

How has it happened that the communists have peacefully given up their power, despite the fact that they have so far had access to the army, the security service, the state and party bureaucratic machinery, and, when necessary, the support of their Warsaw Pact allies?

"The first explanation of the phenomenon being analyzed assumes that the communists will consciously withdraw in order to successfully regain the territory in the future. This is the version described by Witold Jedlicki and later paradoxically adopted by Moczar's propaganda, the vision of October 1956 in Poland, extended to the whole system ...

"Another explanation of why real socialism is giving way also assumes the action to be a conscious one but with a different end in view, the desire to avoid a large-scale revolt (something on the order of the Romanian events on the [communist] camp scale). Preventing a slaughter would consist of releasing the steam in a controlled fashion, shifting part of the responsibility to others, and maneuvering the establishment out of the most dangerous situation. Such an explanation does not assume any great skill in assessing the situation or far-reaching awareness of the goals."

Here is a third attempt to explain what happened: "The system's leadership realized they were remaining behind on a world scale and were unable to keep step with the West technologically (especially militarily) within the old institutional framework."

The fourth explanation, which Marcin Kula considers the most profound—he is not excluding the possibility that several causes were at work at the same time—concerns the process of a special sort of change within the communist cadres. "Each time an old warrior gave up his place—whether for good or ill is another issue—it was to people who emerged much more from the people. Initially such people in the Soviet Union became the mainstay of Stalinism. Linking the "new" party, along with the warrior role its activists were expected to assume, to advanced young people from the backward countryside produced just this result, but the country gradually changed, for example, as the result of developmental activity undertaken by the system itself.... As the country became urbanized and industrialized, and as it developed a mass of people every year, it became a different country, or at least part of the population became different. It is not just that Gorbachev is modernizing the Soviet Union. To some extent the modernized Soviet Union inspired Gorbachev the reformer....

"Part of the forces that were the system's mainstay, forces that sometimes came from the modernized social groups, on the one hand, acquired ambitions that could not be satisfied within the framework of the old order, and, on the other hand, felt far more the widespread desire for modernization. This is true because, despite appearances, this group is not mentally as isolated from the average people in the country as the old activists were. The group therefore probably lost its enthusiasm for opposing society, on behalf of unattainable ideals, a society that for some time had already ceased to associate that system with the fulfillment of its aspirations and on many occasions recently had actually turned its back on the system, as the result of the crisis and breakdown. The revolutionary, a monk from far distant times, filled the role of defender of real socialism better than an educated bureaucrat did driving to his vacation cottage in his own car, or at least dreaming of one."

M. Kula correctly notes that it was mostly under Gierek that people in the party machinery were likened to "the man on the street."

"For a long time now, the facts have provided only partial justification for the dichotomous division in our mentality that separates 'the authorities' from 'the society.' To be brief, since the Gierek era, the state-party machinery, from the viewpoint of recruiting members and of the support received, was mentally distinguished and separated from the broader ranks of society to a lesser extent than such distinctions assume. There was a fluidity permitting one to move between the circle of 'power' and the circle of 'society' (with the former enveloping a considerable proportion of the latter). In terms of wisdom, stupidity, personal aspirations, and

sometimes even world view, the employee working in Gierek's state-party machinery was less different from the national mean than such an employee was under Bierut or Gomulka.... He defended his position, not the system, and if he did defend the system, it was to protect his position. This is a weak position of defense.

"Alongside ideology, defense of property has been a powerful cause of defensive actions in history. I have the impression that the establishment of real socialism would defend itself more if its private ownership were being threatened. Despite popular suspicion, private property was rather insignificant and not threatened in practical terms. The members of Gierek's establishment were perhaps 'the owners of People's Poland,' as they were called, but it is easier to lose People's Poland than your own home or factory." This last remark is very sarcastic but terribly intelligent.

"Last but not least, protecting one's life has been a powerful cause of defensive action in history. This factor drove many members of the party-state machinery to defend the system that night in December 1981. Under the influence of their own observations or carefully leaked information, they came to the conclusion that Saint Bartholomew's eve was approaching."

What made the fear of a trial evaporate rather than pushing the people in the machinery to desperation? It was "the result of the loud cries of people who opposed the Jacobinical model of revolution, and the result of the church's adoption of its role sui generis of the opposition's patron, as well as the fact that the opposition played its cards skillfully (members of the establishment gained security against danger to their person and even to their position, to some extent). But the opposition had to mature gradually, over a period of time, to develop a tactic other than that of backing the adversary up against the wall and leaving him with no other course than to defend himself to the end...." M.T.

P.S. KRYTYKA is a wonderful publication but a difficult one. It needs a regular, consistent readership. Send subscriptions to the Political Quarterly KRYTYKA [KPK] to: State Scientific Publishers, 10 Miodowa Street, 00-251 Warsaw. Account: 370028-1052 PBK VIII Department in Warsaw (designating KPK) for the second half of 1991, beginning 31 July 1991. Subscription rates for the second half of 1991 are: 35,000 zlotys (domestic); \$12 (foreign), and \$19 (air mail).

### Revamping of Civil Defense Program Needed

91EP0488A Warsaw POLSKA ZBROJNA in Polish  
15 Apr 91 p 3

[Article by Jerzy Suwart under the rubric "Reports on the Condition of the Military": "Civil Defense"]

[Text] Civil Defense in its present form is burdened by many shortcomings. This is due to, among other things, the relatively low financial outlays and the secondary, or even peripheral, attention paid to its aspects by the

former authorities. Yet Civil Defense can boast of substantial accomplishments over the last 60 years, including also experience gained in times of war.

The optimal approach would thus be to consolidate positive experiences in Civil Defense and purify it of all its deficiencies and shortcomings. I believe that this can be accomplished through, among other things, new laws regulating the purpose, tasks, and organizational structure of the Polish Civil Defense system.

The postulate of "removing" the Civil Defense from the direct tutelage of the military appears correct and warranted. For it has to be regretfully stated that subordinating civil defense to the Ministry of National Defense has not always been good for it. Its treatment from the "military point of view," in various ways, including the approach to personnel policy, has constricted the functions of the Civil Defense, reducing it to a relatively insignificant aspect of military affairs, and it has often been a cause of conflicts with the public, for which, after all, this domain of national defense is principally geared.

Unfortunately, reflections of such treatment of the Civil Defense can also be found in the press, which never mentions among the names of military attorneys any genuine specialist in civil defense. Is that supposed to mean that the fate of civil defense is to be decided by outsiders, without participation by persons genuinely familiar with its problems, relying solely on written information distributed by the National Civil Defense Headquarters? I would rather advocate an in-depth study of the significance of civil defense to the safety of the Nation's population and to national defense, perhaps even on using modern simulation techniques, before its fate is decided legislatively.

Thus the most important question is whether civil defense is needed in our country and why? An answer would be part of our national defense doctrine, and hence it would be an evident mistake to decide the fate of the Civil Defense by passing the pertinent legislation before its role in our national defense policy is defined more precisely.

I represent the view that civil defense is indispensable. I am not alone in this belief. Civil defense has existed ever since World War I in every European country and elsewhere, also in NATO countries, as a component part of their defense systems. Over there no one has questioned its role and importance. It is no accident either that the position of civil defense in international (humanitarian) law of war is so important. The Persian Gulf conflict has confirmed its existence and functioning, and it is only to be regretted that so little relevant information is available (so perhaps the experience gained in that area should be studied to some greater extent?).

There is one other circumstance that should be borne in mind: the countries traditionally emphasizing national defense (neutral countries), such as Switzerland and Sweden, are also the countries placing the greatest

emphasis on precisely civil defense and accomplishing amazing successes in this domain besides, that is, effectively protecting their populations against catastrophic events, and not just war-caused ones. If therefore we build a completely sovereign system of national security and national defense, let us not—being aware of our geopolitical location—neglect civil defense so readily, or rather, let us emulate the best foreign models. Under Polish conditions civil defense may become an additional, and far from minor, factor safeguarding our national security system, because the Armed Forces alone are unable to safeguard it.

The need for the existence of civil defense is, of course, linked to the question of the peril of war. Undoubtedly, for this country that peril is nowadays smaller than in the past, but that is still hardly reason for euphoria. Other countries still maintain full arsenals of arms of devastatingly destructive power. Who can guarantee that a situation affording a temptation to resort to force might not happen in the future? Unfortunately, the history of mankind seems to demonstrate that this eventuality has to be reckoned with. Moreover, the use of arms, not necessarily against Poland or even in its proximity, may bear tragic consequences to us, should we lightheartedly neglect our civil defense. By preserving it, we protect ourselves against the possibility of such a catastrophe. After all, this also is the idea behind the maintenance of armed forces in times of peace.

By its very nature civil defense is humanitarian; killing and destruction are foreign to it, while rescuing and bearing aid are closest to it. Even aside from the fact that ideologically civil defense meshes with the Catholic teachings professed by a majority of the Polish society, it is not and cannot be oriented solely toward war. In peace time there is an abundance of other perils and natural disasters, and nothing indicates that advances in civilization will eliminate them in the future—perils and disasters that can be counteracted with the aid of civil defense. All that is needed is to adapt civil defense to this role in a better way, that is, so as to make it perform a twofold function: as an element of national defense and as a system safeguarding human and economic safety in the presence of peacetime perils and disasters.

Attempts to reduce the Civil Defense to but one of these two functions—which were not avoided even by the National Civil Defense Headquarters, which has recently opted in favor of the so-called extraordinary perils (see *RZECZPOSPOLITA*, No 31, 1991, and other publications)—can hardly be considered proper. For the same reason, a proposal to replace the Civil Defense with some super rescue service oriented toward peacetime operations alone seems groundless. And while a proposal for making the rescue services more professional is of definite worth, the condition of the present Civil Defense formations, which are burdened by so many shortcomings that they cannot be any longer tolerated, has to be viewed critically.

Besides, the idea of professionalizing rescue services is not new: it had been implemented in the Second Republic with respect to so-called Emergency OPL [Antiaircraft Defense] Standby Service, and it passed its test during the war as well for some time in territorial antiaircraft defense. On the other hand, the actual, and not just formal, inclusion of the Civil Defense in performing peacetime rescue operations requires a prior ordering of the question of rescue services in this country in general, from the legal standpoint, too, before this function is ascribed to the Civil Defense.

The public's actual knowledge about civil defense is difficult to determine. For the last 20 years no opinion polls about this matter have been conducted. At best, on the basis of certain events and publications, e.g., those relating to the consequences of the Chernobyl disaster and the recent growing amount of public information provided about the changes in Poland's national defense system, it may be indirectly concluded that public knowledge about civil defense is extremely small, while the utilization of available expertise on this element of national defense and its purposes and objectives is even worse.

The reasons for the scanty knowledge of civil defense matters are indeed numerous. These matters are hardly ever treated in publications, and it is an unusually rare event when they are considered in professional military periodicals, let alone in civilian periodicals. As for training the population, there is a general awareness of lack of the interest in civil defense as a curriculum subject, of the decay of training in self-defense, and of the actual collapse of civil defense training at workplaces and even within the Civil Defense formations themselves in the last few months. Besides, other reasons, too, can be mentioned, but I believe the most important reason to be the unattractive form in which knowledge about civil defense is presented at present, being moreover crammed into a tight and practically dogmatic thematic straitjacket.

A survey of training programs and the scanty publications on civil defense produces the impression that knowledge about civil defense is extremely limited and, above all, as it were, isolated from the contributions of many relevant scientific disciplines. Yet if we consider the purpose and tasks of this element of national defense, it is readily seen that civil defense is of a clearly interdisciplinary nature and explicitly hinges on the extent of utilization of discrete sciences, and not just on the status of military knowledge.

The ways of opening up civil defense in the sense of making the public and decisionmakers aware of its importance are many, of course. The optimal approach would be to establish an appropriate research institution, e.g., an institute of civil defense, as part of the organizational structure of civil defense, even if that would mean diverting some of the funds needed for the administrative upkeep of that structure. If properly organized, such an institute could perform various services substructured

on scientific research for the needs of not only civil defense but also rescue services in the broad meaning of the term. The assumption could be that it would be on the whole a financially autonomous institution which would make its advances in knowledge available in return for a fee to interested parties in this country and abroad.

Other solutions, such as establishing civil defense research centers at institutions of higher education—which had been tried with some success even before 1939—or forming civil defense research teams at germane research institutions, could also be considered. We could even go farther and consider offering specialized civil defense programs. Let us not be frightened of civil defense; provided that its programs are worked out at the proper level, then knowledge of civil defense could prove quite useful at every managerial position, to every official, and in the everyday life of every family.

But training programs must, in their turn, presuppose utilizing broad domains of human knowledge. The existing programs for civil defense training should be revised as soon as possible upon preserving the proper proportions among matters relating to natural and other perils, preventive actions, and rescue operations. There is no sense in glossing them over, because they have a human face, are humanitarian, are needed not just in case of some not closely defined eventualities but in everyday conduct. What matters most, therefore, is that the programs be complemented with good textbooks, which as yet are missing. The absence of textbooks most often results in improvisation, mistakes, and ignorance, and in substituting "authorities" for reasoned discussion. I am not exaggerating when I say that there is no professional literature assuring the influx of needed knowledge. Thus in this respect, too, the field is open for initiatives; perhaps the experience gained by the prewar Emergency OPL Standby Service could be useful in that it might at least serve to popularize knowledge about civil defense.

It also is high time to rescue knowledge about civil defense from purely verbal instructional methods. Generalized instructional materials should be replaced with detailed ones specifying indications, instructions, methods of execution, etc. Perhaps the system for preparing the public for civil defense should be revised: while schoolchildren should still be trained in anti-air defense, suitable knowledge should be popularized through the mass media (by emulating the current "Educational Television" program). The traditional forms of offering training courses or self-learning programs have become obsolete and of a certainty they cannot be revived.

However, the possibility of having to resume these courses and programs in the event of a direct peril has to be reckoned with. That is why, with the object of popularizing civil defense and training the public in face of a peril—and also for the needs of civil defense itself—it would be wise to keep information on civil

defense handy in case of emergencies, on videotapes, audiotapes, computer diskettes, etc., so that it could be immediately utilized as the need arises; that too could be attended to by the postulated institute of civil defense.

### Securities Commission To Oversee Transactions

91EP0518A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 9 May 91 p II

[Interview with Leslaw Paga, chairman of the Securities Commission, by Joanna Trepkowska; place and date not given: "Stock Exchange Police Being Established: Capital Market Monitored"—first paragraph is RZECZPOSPOLITA introduction]

[Text] Additional institutions of the capital market are arising. The stock exchange has already started operating; brokers' offices have opened; and soon mutual funds are bound to appear. But an official watchdog of the capital market, namely a securities commission, has previously been lacking. On 8 May members of the Sejm's Commission on Ownership Transformations approved the nomination of Dr. Leslaw Paga to the chairmanship of the Securities Commission; currently he is employed as head of the Office of the Securities Commission at the Ministry of Ownership Transformations.

[Trepkowska] What will be the purpose of the Securities Commission? I asked this question of Leslaw Paga.

[Paga] The commission is to accomplish four [as published] principal purposes. First, it approves the release of new securities. This is done by evaluating the prospectuses. The guidelines for prospectuses have already been drafted and are merely waiting to be legitimized by an executive order of the Council of Ministers. Our guidelines are patterned on the directives of the EEC. I believe it highly important that we succeeded in immediately adapting these directives to Polish conditions. I think that owing to this the securities on the Polish market will be really good.

Our second essential task is approving middlemen for activity on the capital market. This means brokers, brokerage firms, and mutual funds. Third, we also are to exercise the duties of a watchdog. This is not a pleasant task, but it is an indispensable one in order to protect the integrity of the capital market. We will have to supervise the stock exchange and the related transactions as well as to ensure respect for the rights of the private investor.

Our last but extremely important task will be education. We are aware that only a very few potential investors know how to read a stock prospectus, as initial experience has shown.

[Trepkowska] How do you intend to fill this gap in public knowledge?

[Paga] I think that a program for educating the public thoroughly in stages is needed. I mean, educating the

individuals who have money and want to invest it but do not know whom to turn to, what questions can be asked of brokers, etc. But long-range programs educating the general public so it can get used to the capital market also are needed. In this connection, we would like to popularize this subject at schools by means of, e.g., computer games that would enable the very young to "speculate."

[Trepkowska] Following the first three stock market sessions have you noticed certain dangers to the capital market which the commission should counteract?

[Paga] The principal danger is the shortage of securities. Another crucial question is the privatization of the largest possible number of solid companies. The present market is fairly shallow, so that even relatively small orders may result in marked fluctuations of stock quotations. Fortunately, there exist stock market regulations that limit or suspend transactions.

[Trepkowska] While speaking before the Sejm commission you referred to the danger of speculation in stock quotations, such as had taken place in the past with respect to the exchange rate of the dollar.

[Paga] Were it not for the restrictive provisions of stock market regulations, this would probably have happened by now.

[Trepkowska] When shall the Securities Commission commence its activities?

[Paga] We consider it important to begin as soon as possible. In principle, we are prepared by now to commence operating. All the necessary papers have been drafted. But the commission must be formally appointed as an office and have a statute of its own. At the moment, the office which I head employs 30 persons. Some of them are at present interns with the Securities Commission in the United States. They will probably have to shorten their stay there, because we want to give the first examination for brokers as early as 8 June.

### **Banks Question Credibility of Small Enterprises**

91EP0489A Warsaw RYNKI ZAGRANICZNE in Polish No 45, 13 Apr 91 p 7

[Article by Monica Sowa: "Small Customer Unwelcome"]

[Text] Since 1989 a two-tier banking system has existed in Poland, made up of the central bank and commercial banks. The function and role of the central bank—the National Bank of Poland (NBP)—are in large measure similar to those existing in the West.

At the end of 1990, 63 banks were already licensed to conduct financial operations in Poland. Private capital held the majority ownership (over 50 percent) in 22 of them. In addition, two banks, which were formed earlier as units of the socialized economy, namely the Economic Initiatives Bank S.A. (a stock company) and Bydgoszcz Municipal Bank, were privatized in 1990 through the

issuance of stock and the sale of these stocks to private investors. It may be said, therefore, that there were 24 private banks in Poland at the end of last year, although not all of them were functioning.

Generally, Polish private banks are institutions with little of their own capital. Many of them began their operations with the minimum amount of capital required by NBP (at the end of 1990 that was 20 billion zlotys for Polish banks and \$6 million for foreign banks). The total financial balance for all private banks functioning in 1990 was less than the balance of the smallest of the regional commercial banks separated from NBP. The share of private banks in the financial services market was even smaller; they do not, at this time, provide services for individual clients but engage in the more profitable credit services and operations on the capital market now being formed. Despite this, in 1990 the private banks were less profitable than the state regional banks separated from NBP, which service the large state enterprises.

In addition to the private banks, in 1989-90 numerous new banks in which most of the capital was owned by the state also arose. They include the specialist banks: Power Industry and Environmental Protection Development Bank S.A., Socioeconomic Initiatives Bank S.A., and the Housing Construction Development Bank, S.A.

In 1991, Polish Development Bank S.A. will begin operations. This institution is owned by the State Treasury and will have the largest capital in Poland. The bank's purpose is to grant credit to small and medium-size enterprises, to restructure state enterprises, and to finance pollution-control and energy-savings projects. It will also participate in the distribution of funds from the World Bank and in the creation of capital market institutions, including a mutual funds society.

Some of the Polish state commercial banks will be privatized this year. The first to be subjected to this process will be Export Development Bank S.A.

In addition to the 24 private banks mentioned and the slightly larger number of institutions in which private capital dominates, there are 1,665 small cooperative banks in Poland. Until the beginning of 1990, these banks were really under the Food Economy Bank (ZBG). But the 20 January 1990 law deprived ZGB of the ability to exercise control over cooperative banks. They have a beautifully developed network, numbering over 2,700 service counters. At the end of 1990, the cooperative banks began to separate themselves from ZBG and create their own regional centers, which will mainly perform refinancing functions.

The Wielkopolski Economic Bank S.A. in Poznan was the first to be registered. Its shareholders were 124 cooperative units. Another four regional banks (cooperative centers) are getting ready to obtain NBP licenses and start up operations.



In addition to banks with Polish capital in 1990, NBP and the Ministry of Finance agreed to the formation of other agencies or foreign branches of financial institutions. At the end of 1990, there were 13 agencies, and in 1990 agencies were established by the following: Citibank, Banque Nationale de Paris, and four banks (Unibank in Denmark, SE Bank in Sweden, Den Norske Bank in Norway, and Union Bank of Finland) formed a joint agency called Scandinavian Banking Partners. Six licenses were also issued for the creation of a foreign-capital bank or a branch of a foreign bank in Poland to the following: American Bank in Poland S.A., Reiffeisen Centrobank S.A., Polish-Swedish Credit Bank Scan-Banks S.A., Dutch NMB Bank, First Commercial Bank S.A. in Lublin, and the Austrian Creditanstalt.

The initial capitalization of the individual foreign banks was as follows: American Bank, \$6 million and 2 billion zlotys; Reiffeisen Centrobank, 80 million Austrian schillings, which is about 72 billion zlotys; Scan-Bank, \$6 million and 14.2 million zlotys; and First Commercial Bank in Lublin, \$6 million and 1.8 billion zlotys. The share of foreign capital in the particular banks is as follows: American Bank, 99 percent; Reiffeisen Centrobank, 100 percent; Scan-Bank, 80 percent; and First Commercial Bank in Lublin, 97 percent.

In comparison with the newly established domestic banks, the institutions with foreign capital are large, however in comparison with the state commercial banks, separated at the beginning of 1989 from NBP, they are small.

The statement describing the scope of operations of the foreign-capital banks indicates that only Scan-Bank is an institution which clearly aims to specialize in two fields: export and import financing and granting credit for production and investment activities. The others are of a universal character.

Foreign capital not in excess of 20 percent appears also in eight newly formed domestic banks: BIG Bank S.A., Bydgoszcz Municipal Bank S.A., Prosper Bank in Krakow, Socioeconomic Initiatives Bank S.A., Environmental Protection Bank S.A., Lower Silesian Economic Bank S.A. in Wroclaw, Eastern Bank S.A. in Bialystok, and Czestochowa Bank S.A.

The foreign capital in these banks is represented mainly by natural persons, and because it does not exceed 20 percent, the banks, according to law, are considered to be domestic banks. The highest share of foreign capital among the banks named is in Czestochowa Bank (10 percent). Except for American Bank in Poland, the other institutions with foreign capital have not yet begun operations.

Despite the gradual formation in Poland of a banking services market and a large number of new centers, the limited ability to obtain loans to start up or develop economic activity is generally regarded to be a strong barrier to the development of small and medium-size private enterprises.

The popular opinion among private entrepreneurs is that the state banks regard loans to them as some kind of charity. In addition, the typical reaction is not so much an immediate refusal of credit, as the dragging out and postponement of the matter.

In a particularly unfavorable situation in relation to banks are the newly formed private enterprises applying for credit to start up operations. For the banks, such clients are not very credible because in practice the solvency of creditors is judged on the basis of activity results in the past. Newly forming economic units do not have this "history" and that is why, as a rule, they meet with refusal or all of the bad sides of a credit procedure.

The unwillingness of the banks, particularly the state banks, to give loans to small and medium-size business, stems from many reasons. First of all, these banks are set up mainly to service large state enterprises, which are, for them, a basic source of income. Because at present there are few such banks and there are a lot of potential customers, there is no need to obtain new creditors. Especially because the small client is a small transaction, and thus a small profit, but a lot of bureaucratic, time-consuming steps are involved. Loans to small private enterprises, particularly those starting up operations, also carry a higher risk than those to large state enterprises.

Another factor which had a negative effect on the inclination of state banks to grant credits, was the recommendation of the NBP president that credits for the socialized economy not grow faster than 16 percent a quarter and that the increase in credits for the private sector and the socialized sector, in terms of value, be the same.

Under the pressure of politicians, economists, and representatives of private business, NBP introduced, in the second half of 1990, credit guarantees for loans granted to natural persons and private enterprises who want to start up economic activity and are unable to obtain credit due to lack of the necessary insurance. But the credit cannot be higher than 2 billion zlotys (about \$200,000), and the guarantees are granted up to the amount of 60 percent of the difference between the sum of the credit and amount of its insurance submitted by the creditor. In addition, the creditor is required to create a special insurance fund amounting to five percent of the sum of the awarded guarantee. After the credit is repaid, half of this fund will be returned to the creditor. Apart from the hard terms of the above guarantee, NBP has been unable to interest any of its subordinate commercial banks in granting loans to the private sector.

Another attempt on the part of the Polish government which was to have facilitated the development of private entrepreneurship, was the creation of a special credit window as part of the Structural Changes Fund in Przemyśl. However, only natural persons and private companies starting up economic activity could apply for the loans and the maximum amount of credit could not exceed 750 billion zlotys (about \$70,000). This amount



was only enough to open up a small crafts factory. The interest rate on the loans was fixed according to the NBP refinancing rate (which at the end of the year was 72 percent per year, plus a margin of up to two points). Scarcely 40 loans were granted last year from this fund, for a total of 17 billion zlotys, which gives us an average amount of credit on the order of 425 million zlotys, or about \$40,000. Just as in the case of NBP guarantees, the loans from the fund did not improve the possibility of drawing credit by the already existing small and medium-size private enterprises.

From the standpoint of these enterprises, not only the unwillingness of the banks to grant loans mitigated against them, but also the extremely high interest rate, and sometimes also their lack of know-how in preparing all of the documents required to obtain a loan. The preparation of a detailed financial and economic analysis of a venture is not yet in Poland a universal skill, even among graduates of economics schools, and the employment of a consulting firm may be, from the viewpoint of a small entrepreneur, very costly.

One of the ways of avoiding the expensive zlotys credit are the foreign-exchange credits offered to private entrepreneurs by selected Polish banks—credits derived from their own sources or a line of credit from international institutions such as the International Finance Corporation (IFC), the World Bank, or the European Investment Bank (EBI). The cheapest, because the interest rate is 10 percent a year (LIBOR plus margin or a fixed interest rate) are IFC or EBI loans, obtainable from the Development Export Bank S.A. World Bank credits are more expensive because both the NBP and the commercial bank collect a margin, which combined gives an interest rate of 13 percent a year.

Another version of foreign-exchange credits was offered at the beginning of 1991 by the Polish-American Entrepreneurship Fund. Representatives of small business can obtain credit up to \$20,000 from this fund. Loans are distributed by eight of the largest commercial banks, in which special desks have been set up. Higher loans, between \$20,000-300,000, will be granted in the fund's name by selected private banks, including Market S.A. in Poznan. Applications for loans over \$300,000 must be made in the fund's offices.

According to preliminary data, it would be advisable for an enterprise applying to the fund for a loan to have insurance covering at least 50 percent of it. Repayment is due within three to seven years, and the interest rate will fluctuate between eight and 11 percent, depending on the customer's creditworthiness.

However, the rather attractive terms of credit offered by the fund resulted in a flood of over 6,000 credit applications almost immediately after it began operations, and because it was not able to investigate them within the required time frame, it stopped accepting more applications until 4 March 1991. Furthermore, for this year the

fund has only \$13 million for small loans (to \$20,000), of which it spent \$500,000 in the first days of operation.

The basic defect in all of the mentioned foreign-exchange credits is the fact that the creditor takes upon himself the entire foreign-exchange risk. In case of the devaluation of the zloty, which can be expected this year, the value of the credit drawn, in terms of the dollar, will indeed grow. It is even more difficult to predict the variability of the exchange rate over the course of a few years of the implementation of the investment.

The latest initiative which is to release Polish small-scale entrepreneurship from the vicious circle of the inability to obtain financing, was the formation, in the fall of 1990, by the Ministry of Finance, of the already mentioned Polish Development Bank S.A., with a capital of 800 billion zlotys (approximately \$84 million). But because this bank does not have any branch at the moment, it is anticipated that in the initial period of its operation, no more than 15 percent of the loans will be granted directly to the interested creditors, and the rest will be transferred through cooperating commercial banks.

Therefore, the present problem of giving loans to small and medium-size private enterprises is still not solved. Small business is still regarded by the overloaded banking system as an intrusion. It must therefore choose between the extremely expensive zlotys credit and foreign-exchange credit, which is cheaper but which carries all of the foreign-exchange risk. Meanwhile, the newly formed private banks have only single offices located in large urban centers.

### Synopsis of Poll on Ownership Transformations

91EP0518C Warsaw *RZECZPOSPOLITA (ECONOMY AND LAW supplement)* in Polish 2-3 May 91 p III

[Article by Ewa Zychowicz: "Ownership Transformations: Trade Unions and Worker Self-Governments Sit on the Fence, Plant Managers Are Most Disposed"]

[Text] Since early 1982 the Institute of the National Economy has been conducting annual polls of the performance of enterprises in the presence of the ongoing economic reforms. In the second half of 1990 it conducted one such poll at 50 state enterprises. The poll revealed that the managers were the group most strongly in favor of ownership transformation, perceiving it as an opportunity for making their plants independent of administrative decisions by the central government and for subordinating them to the criteria of economic effectiveness and profit maximization.

This stance is obviously traceable to social and sociological reasons, since it rationalizes the suitability of the managerial elite for managing enterprises in the new economic climate.

Ninety percent of the polled top managers of underperforming enterprises favored privatization, viewing it as the best way of streamlining performance.

At financially well-performing enterprises privatization evoked reservations among 40 percent of the managers polled; they thought that it might cause the converse, namely, a deterioration of economic situation.

As for evaluating the importance of ownership transformations, some 44 percent of the respondents thought that economic progress is impossible without these transformations, while as many as 50 percent of the managers thought that too much hope should not be placed in these transformations. Only six percent rejected privatization as a way of streamlining performance.

As many as 70 percent of the respondents opined that ownership transformations are encountering obstacles, chiefly those ensuing from: a shortage of capital, including private capital in this country (26 percent); job security fears of employees and their egalitarian views (22 percent); unfinished legislation (16 percent); and lastly the fear of worker self-governments and trade unions of losing their traditional influence (10 percent).

The managers were overwhelmingly in favor of free access of the public to stock purchases, upon reserving certain stock acquisition privileges for enterprise employees. On the other hand, they viewed negatively public distribution of stock [vouchers].

They thought the optimal form of property ownership to be a capitalized company, especially one with the participation of foreign capital (50 percent), and with the participation of private capital (24 percent). Only six percent preferred ESOP [Employee Stock Ownership Plans], as most felt that this form of ownership could be less effective than the others and would preserve the strong position of worker self-governments and thereby contribute to dual enterprise management as well as cause capital to be spread thin.

As for what they expected from privatization, more than one-third of the managers mentioned higher wages, while 62 percent mentioned a change in the work ethic of employees, and 46 percent said they expected changes in the management and internal organization of the enterprise.

The poll also showed that OPZZ [All-Polish Trade Unions Agreement] activists and workers displayed the most cautious stance toward accepting privatization. Some 40 percent of both these groups supported preserving state ownership. They thought that most of the advantages of privatization would be derived by the state, followed by the enterprises as a whole, and only last by the workers.

The desire to purchase stock in enterprises was expressed most often by worker self-government and Solidarity activists and least often by OPZZ workers and activists.

CBOS [Public Opinion Research Center] polls also revealed that while in November 1990, when stock in enterprises had been issued for the first time, 30 percent of the respondents had declared the intention to purchase that stock, in December this percentage dropped to as little as 8.8 percent and in January 1991 to less than eight percent.

A major obstacle to privatization is the shortage of disposable income among workers. Most often they declared that they could afford to buy stock in amounts equal to two or three times their monthly salaries.

It can thus be generally stated that supporters of ownership transformations at enterprises are to be found among their management, whereas trade unions and worker self-governments have adopted a wait-and-see attitude. Among the potential disadvantages of ownership transformations the possibility of a disparity between the related expectations and the actual effects may thus be mentioned. On the part of the workforces this concerns such expectations as higher salaries, work safety, and a higher standard of living.

It should be borne in mind that the changes in property relations involve exceptionally high emotions among the society, as well as conflicts of interests, and therefore taking the related steps requires an extremely deliberate approach.

#### **Modern Steel Mill Outdated by Western Standards**

*91EP0518B Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 2-3 May 91 p III*

[Article by Antoni Kowalik: "To Be or Not To Be: The Katowice Steelworks"]

[Text] To be or not to be: This is the actual dilemma faced by the Katowice Metallurgical Combine and Steelworks. That flagship investment of socialism, built in times when cost was not a consideration, has at present found itself in an extremely difficult economic situation. Just to pay its income tax and other encumbrances, it has to earn a profit of at least 1.3 billion zlotys. This means, that given estimated sales of 10.3 billion zlotys, the enterprise would have to attain a profit level of 13.5 percent, that is, as much as being attained by Japanese steelworks.

The Katowice Steelworks is, incredible as it may sound, the most modern steelworks in Poland. But it was built on the basis of a technology a dozen years or so older than that of the steelworks then being established in countries with a market economy. That is so because by the late 1970's rolling mills for semifinished products ceased to be built in those countries; instead, these products began to be manufactured there by the continuous casting method, a method that cuts production cost by some 15 percent. To be sure, the other facilities of the

Katowice Steelworks, such as blast furnaces and oxygen converters, did not lag behind the technologies then employed in Europe.

The steelworks' transition to a market economy is also being complicated by the fact that, in times when its operating deficit used to be simply offset by government subsidies, it had been envisaged as a supplier of semifinished products for other autonomous plants. This means that the Katowice Steelworks itself is not manufacturing finished and highly processed products, that is, the major profit makers. The profit levels of steelworks manufacturing such products in the United States or Japan range from several to some 15 percent. That is why the steelworks in Western Europe, which had originally been designed otherwise, underwent restructuring in the 1980's because they turned out to operate at a loss.

The situation of the Katowice Steelworks is worsened by the economic recession, which has caused a decline or a definite drop in the output of such steel-consuming fields as construction, machine and armaments industries, and the production of investment goods. The domestic demand for steel has shrunk radically.

In such a situation exports are the sole way out, but in this case they are unusually difficult. That is because the Katowice Steelworks would have to compete on the world markets with companies of long standing which are financially strong, have lower production costs, and offer up-to-date products.

Even so, the steelworks has decided to try and enter these markets. In March, 70 percent of its output was earmarked for export. Cost cutting has become the basis for measures to adapt the steelworks to the new economic

situation. This is to be promoted by, among other things, establishing so-called cost centers for discrete groups of basic and auxiliary production departments, at which production cost will be continuously analyzed on site. Such analyses will serve to identify the least profitable products and to eliminate or restrict them or replace them with new products.

Overhead cost also will be reduced, meaning that the plant housing and hotels heretofore operated by the steelworks will be sold off. Outside repair services will be supplanted with the steelworks' own maintenance services. Cuts in employment also are expected.

The introduction of the continuous casting of steel, which serves to reduce production cost by a dozen or so dollars per metric ton of products, will be continued. To assure the on-schedule activation of that investment project, 1,180 billion zlotys will have to be spent this year. The steelworks is trying to finance at least a part of that project by means of foreign loans.

The steelworks will be unable to expand and modernize itself on its own. Additional funds are needed; they could be, e.g., contributed by a major foreign investors. But first the steelworks must privatize itself. The decision has already been taken. At present a consulting company is exploring the optimal ways of translating it into reality.

But there is also no dearth of opinions to the effect that, like the other steelworks, the Katowice Steelworks no longer has a reason to exist. These opinions are especially voiced by ecologists, who in this case are difficult to controvert. But the problem is that at present we hardly know what we can produce in order to also pay for steel, without which the economy may come to a standstill.

### Failure To Obtain MFN Status Analyzed

91BA0796C Bucharest ROMANIA LIBERA  
in Romanian 23 May 91 p 8

[Article by Mihail Mihailescu: "How We Missed Securing the Clause"]

[Text] The invasion of Czechoslovakia took place at the same time as the Bucharest "minispring." Ceausescu took a stand against the Soviets. With his notorious slyness, Ceausescu managed to build the image of a Romania standing up to the great communist empire. The West supported Romania, whom it viewed as a "bridgehead" into the heart of the totalitarian systems, and gave it material aid. Even later, when Ceausescu's miserable dictatorship was taking shape, the West found a formula to excuse it: "A very good foreign policy, although not in line with the domestic policy." Consequently, Romania became a member of GATT in 1971 and signed the following agreements with the United States: an agreement on commercial relations (3 August 1975); a protocol on developing trade in foodstuffs (September 1975); and a U.S. agreement to grant tariff concessions (March 1979). Thus, Romania was granted the most-favored-nation [MFN] clause, which it kept until 1988 when, suspecting that it was going to be retracted, Ceausescu unilaterally gave it up.

Great changes occurred in Europe in 1989. Romania was holding some of the strongest trump cards: Our country had a fascinating image in the world—in a revolution with many fatalities the Romanians had brought down the fiercest communist dictatorship; the country had no foreign debts; all the forces became engaged in establishing a democratic system. Nevertheless, the United States is not renewing the status that it granted to all the other East European countries and even to Mongolia.

The United States declared that the Balkan region had "its own specific traits" and that the Balkan countries were viewed from a "different angle." In order to secure MFN status the Balkan countries had to fulfill the following conditions: organize free elections; have a pluralistic system; observe human rights and the law; move on to a market economy.

Romania's leadership claims that all these conditions are fulfilled. The Americans, however, believe otherwise. They agreed to sign only a commercial agreement with Romania, under U.S. Decree No. 90-28 of 3 July 1990. The U.S. refusal was explained in statements like: "The United States is concerned about the manner and pace of democratization in Romania;" the United States reacted to new laws like the one which stated that "Romanian citizenship may be withdrawn from any person who, while abroad, seriously harms the interests of the Romanian state or Romania's prestige." A White House press statement released at the beginning of 1991 contained the following brief analysis: "The elections held in May were won by the FSN [National Salvation Front], which incorporates many former communists. Electoral irregularities were signaled by U.S. observers and others. The

Romanian government was harshly criticized for its lapses to observe basic human rights. At the time, President Bush noted that the United States is particularly concerned about the fact that opposition candidates were harassed in Romania and that basic human rights, like the right of free assembly, were violated."

These terms of criticism were kept within the boundaries of diplomacy. In fact, Romania's image has deteriorated enormously. These were the main landmarks in this deterioration:

- 28 January 1990: Meeting held by restored and newly established parties for the purpose of establishing a provisional form of government in which they could participate, too. Toward the end of the meeting, trucks carrying "insensated workers" armed with iron bars appeared;
- 29 January 1990: The FSN organized a counter-demonstration. Offices of other parties were surrounded, but they refrained from attacking them or molesting their leaders.
- 20 March 1990: Although the tense situation in Transylvania had been known for a few days, the country's leadership took no measures and the conflict erupted. In the wake of the events in Tirgu Mures, six persons (three Romanians and three Hungarians) died and 228 were injured (140 Romanians and 88 Hungarians);
- 13 June 1990: The marathon demonstration in the University Square, which eventually would have stopped of its own accord, was brutally repressed by the police. "Workers" intervened again; they attacked the Architectural Institute, then disappeared without a trace. The headquarters of the police, television, etc., came under assault. The attackers have not been identified to this day;
- 14-15 June 1990: The president appealed to all "persons of good faith" to defend the recently established democracy. The miners arrived and terrorized the city of Bucharest. That marked the culmination of a string of actions that led to the complete deterioration of Romania's image and to the fact that its leadership completely lost all credibility;
- The situation was not saved even in the 11th hour: report on the 13-15 June events in Tirgu Mures kept being inexplicably delayed. In the end, two reports were drafted about the "miners' incident"—one by the government party and one by the opposition parties. Any commentary on the lack of seriousness of such a procedure is superfluous.

And thus, the United States refuses to grant us MFN status, which could give us considerable advantages.

It is true that the Romanian government has intervened with the Americans in order to obtain MFN status. The main purpose of Eugen Dijmarescu's travel to America in February was to secure that clause, followed by the prime minister's visit with the same principal objective.

But the United States did not change its position. Currently, a Parliament delegation made up of members of both the government and opposition parties is in the United States. Let us hope that they will succeed in changing the U.S. attitude toward Romania.

And as we have not yet lost our sense of humor in the face of adversity, a joke is already circulating on the subject. It is said that our prime minister, who is adept at many foreign languages, got mixed up among them and spoke Bulgarian during his visit to the United States. Thus, shortly after he returned to Bucharest, MFN status was granted to... Bulgaria!

### Survey of Developments Since 1990 Elections

91BA0796B Bucharest DREPTATEA in Romanian  
15 May 91 pp 1-2

[Article by Corneliu Olaru: "One Year After the Election of the Front"]

[Text] The result of the 20 May 1990 elections in Romania immediately raised a legitimate question: Did those elections reflect the sovereign wishes of the Romanian people? Only a correct answer to this question made it possible to clearly assess the actual situation and, what is much more important, to answer the question concerning what is to be done from now on and what the future political actions should be. Anyway, to leave such a question without an answer or to provide an incorrect answer is tantamount to stopping to seek and thus to not finding solutions. One thing that revealed itself as absolutely necessary was precisely the need to find viable solutions and to propose coherent actions for the future, but for that we must first overcome the psychological impasse involved in the answer to this question.

The answer to the question whether the result of the elections reflected the wishes of the Romanian people was not and is not easy considering the overall situation that prevailed in Romania after December 1989. As in the case of other questions, an automatic yes or no will not do. In order to elucidate the core of the problem we must first answer a partial question: Who organized those elections? The answer is clear. The elections were organized by the FSN [National Salvation Front] with the direct assistance of the state administration, which followed orders. And since the law or the instructions were designed to create an appearance of honesty, each one of those interested was tasked with seeking a loophole in which to insert the password: The Front is to be elected! The rest is details.

Strictly formally considered, i.e., from the viewpoint of the technical aspects of the ballot, the elections may be viewed as correct. That is, provided it is certain that nothing was forgotten by those interested, beginning with the division into voting sections, the distribution of ballots, and the voting procedure, and ending with the counting of the votes in order to achieve the results

desired. The Front was elected! And not just anyhow, but with a sufficient majority to allow it to pass its own bills and constitution!

For those who are content with a superficial view—the Front supporters and “neutral” foreign observers (among whom I cannot forget a French Socialist deputy with whom I happened to be talking about the physical and moral pressures exerted on the opposition throughout the electoral campaign, and who serenely answered: “In France people also tear down electoral posters!”)—so for anyone who was content and still is content to stay on the surface level, each one of the “details” that may cast doubts on the correctness of the entire process may be explained away as a human error. Along the line of, oh well, there may have been some “mistakes.”

All along and now, too, the representatives of the authorities have been invoking this kind of technical (?) correctness, in which respect they may possibly be willing to admit certain errors, but which, according to their viewpoint, cannot change the facts of the matter: “The people decided by a large majority.” What they stubbornly refuse to admit are the conditions in which the people were led to express a decision! That, however, raises the need to answer another question: Are we to limit the discussion to the exact time of the voting? To the day of 20 May? Even from the FSN's viewpoint, 20 May was the end of the line, the moment of “legitimization.” And in order to see how we arrived at that “legitimization,” we absolutely must discuss the entire period following 22 December 1989 and even the entire period after 1945. At this point, however, the comrades tend to run out of goodwill.

We must take good care not to forget what communism meant for Romania. It was the imposition by force, blackmail, pressure, and diversion of a structure of power that in essence was an expression of Soviet domination over the Romanian people. The fact that the system had and still has many acolytes who organized into a structure of “internal occupation”—essentially subordinated to the same objective of foreign domination—and that that structure (*nomenklatura*, the new class, or the red bourgeoisie) stayed alive only thanks to that subordination, in the meantime profiting from all the advantages of occupying their own country, that fact had to be concealed from the people, otherwise the domination could not have continued.

The entire economic, social, political, ideological, and cultural system organized in the first decade after 1945 and devoted to the purpose of keeping the Romanian people dependent on Soviet communism and the creation of a state that made Romania—down to the last organizational and personal detail—the most Sovietized East European country, all of a sudden came under question. “Without communists”—the street slogan of 22 December in Bucharest—“Down with communism!”—the slogan of the University Square “riffraff” and of almost all the street demonstrations of the past

one and one-half years (which were so resolute that for a moment even the FSN wanted to embrace it!) were the expression of the most profound wish of the Romanian people. As we know, that is the password that most frightens the current holders of the neocommunist power in Romania.

We must also note the speed with which, like aameleon, the PCR [Romanian Communist Party] became the FSN (which does not necessarily mean that all the "FSN-ists" realized it, at least for the moment!). We should decipher the entire mechanism of ambiguities and diversions aimed at maintaining a state of confusion around this change of name. It was only natural that the communist *nomenklatura* and the rest of the activists down to the base levels, the state apparatus of "mass and civic organizations," and all those trained to act at their orders and guidelines—whose total number in the Romanian society must not be either overestimated or minimized—should quickly grasp the signals emitted in its own press and especially on the TVRL [Free Romanian Television], as well as "by word of mouth." Their duty was to present themselves as the "emanation" of the Revolution—of a revolution which they viewed as ended on 22 December 1989 and consequently defeated. At the various rungs of the "reconstruction" (the FSN, the hangers-on, the bureaucracy, etc.) they all accepted, calmly enough considering the fear that was haunting them between December 1989 and January 1990, the results of the action that was to "legitimize" them in the eyes of the nation and the world. For that purpose, CPUN [Provisional National Unity Council] meetings and TVRL programs presented a "recycling" and "political education" whose rules they knew only too well.

What was the force of the opposition before the elections? The restoration of the traditional parties that had been violently banned from politics in the period between 1946-48, was, at least for the duration, a symbol more than anything else. Undermined from inside and outside (see the plethora of parties with similar names, the noisy propaganda, and the seed of hostility and mistrust kept alive by all kinds of absurd rumors), these parties, which could develop normally in normal conditions, could at the time offer nothing more than their good reputation and prestige against a communist force in the process of regrouping after the shock of the December Revolution.

Armed with huge material resources, the penetrating propaganda of an utterly obsessed television, with an organizational apparatus long practiced in manipulating the masses, and taking advantage of the Romanian people's atrophied political sense, the Front leaders—the "emanated" or the new *nomenklatura* center—had a chance then to prove their honesty. In a let's say normal electoral campaign and election they could have counted on winning. The fact that they did not give such a proof of honesty once again demonstrated that even a "human face" is not enough to make the communists look good.

Why was it necessary to forcibly disperse all the anticommunist demonstrations? Why was it necessary to organize two miniraid by the miners? Why attack the offices of the traditional opposition parties? Why attack physically and morally all the opposition leaders and all the anticommunist resistance members who had come out in previous decades? Why was a nationalist diversion necessary? Why was Tirgu Mures necessary? Why was it necessary to smear Timisoara? Why was it necessary to produce social division, to fuel hatred, division, violence, and confusion? Why was it necessary to use populist means of securing electoral support, thereby beginning the economic disarray we have today? Why? We often heard an answer that was much too simple, not to say simplistic. The answer was: Those were mistakes, blunders made by the authorities. No, those and the ones still to come, which will exceed in enormity what happened before 20 May, are not simply mistakes or possibly understandable blunders. To view this entire conglomerate, all these actions that traumatized an entire nation worse than did the personal dictatorship of the previous decades as mistakes, means to fail to realize the nature of communism, the type of leader ("lider") that it promotes, and its permanent purpose. Even when displaying a "human," smiling face, they revealed themselves as shameless, first as communists in all their naked thirst for power, and secondly as "internal occupation" not shrinking from anything in the service of the "cause" and "ideals" they had in mind!

The entire discussion about the elections, beginning with that concerning the electoral law—which already imposed a form of government typical of a communist dictatorship—and the date of the election, and with the manner in which the opposition forces were neutralized and an entire nation was blinded, that entire action in fact served to divert the purpose of the Revolution. That diversion was poured into the mold of a kind of bureaucratic "legitimization" of the neocommunist (or crypto-communist) structures in order to ensure the "peace" necessary for consolidating the power. In other words, a Parliament that industriously passed any bill, even one that compels the Army to fire at the people, or a constitution—whose points represent to us the future framework of neocommunism in Romania—or local elections, by which their majesties hope to complete the net in which to continue to keep the Romanian people enslaved.

Since in the past year people have obviously begun to wake up, all we see "emanating" now and will see in the future from the new communist power in Romania will be actions designed to once again poison the social body, civic attitude, trade union organizations, and the militancy of the opposition. Anyone who has grasped the mechanism by which the authorities are cynically exercising their prerogatives will not be at all surprised by this replay of propaganda themes (nationalist diversion, foreign threat, antimonarchy feelings, criticism of the past, people's "failure to work," etc.). Anyone who still allows himself to be fooled can no longer plead ignorance

as an excuse. Everything that happened in Romania to divert the Revolution did not happen in 1945-46-47, but in 1989-90-91!

Still, as the authorities know, there is a great difference between the past and the present. At that time we were under direct Soviet occupation, at a time when all Eastern Europe was fully feeling the shock of the offensive of the establishment of the communist domination in its Stalinist form. Now we are under an internal occupation carried out by forces spawned by communist totalitarianism, at a time when the East European nations are forcefully claiming their freedom and dignity while the Soviet empire is falling apart. Even if the Romanian communist structures still hope to survive by violence and propaganda, it is evident that their soundness is questionable, because the Romanian people refuse to accept communism (or neocommunism, or cryptocommunism, or communism "of any color") anymore, and this attitude on the part of the Romanian people is in line with the general spirit of the actions of all the East European nations. This reading of the situation, which the most clear-sighted among the leadership cannot have failed to realize, is the reason for the terrible crisis of legitimacy of which they are accused and that no fraudulent elections can disguise.

What would be a sketchy picture of one year of "legitimate" governing, in conjunction with the previous five months of "provisional" leadership? The entire nation has an image of what neocommunism means in practice. We have always known that communists talk a good fight! Millions of words and rivers of verbal emanations. That's for starters. Then there is the reality: They promised a "leftist" program; after the elections they came up with a different program (verbally "more liberal..."). Anyway, we had been promised no unemployment, no inflation, social protection, "the Romanian people will never again suffer," "we won't sell our country"—that was before the elections, but after, everything that was promised not to happen, happened. Hundreds of thousands of unemployed, the purchasing power of the leu reduced several times over, the privatization limited to a few market stalls, the price liberalization (oh, what stench!), the implementation of some "Intermercato," airbuses, and migs (for which at fault were the drought, the Gulf, Hungary, "the people aren't working," the traffickers, and University Square, right?). The state of law and the separation of powers—nothing but dust in the eyes of foreigners thirsty for neo-Eastern popularity. The criminals who were caught were allowed to escape. Those who were not caught we watch giving interviews. The land bill confusion, i.e., the bill that is not meant to dissolve the agricultural production cooperatives, while the state agricultural enterprises do not even come into question! Disarray in the education. All the bets were lost one after the other; more precisely, they were nothing but bluffs. Gross insults and even crimes (the "idiots," the "hooligans," Tirgu Mures, 13-15 June). Those who like a circus have the TVR at their disposal! The Bessarabians once again abandoned. The king once

again chased out. All that we have most sacred desecrated and soiled. "Gaudeamus" with the hand on the machine-gun. The (?timid) emergence of communists. Nationalist diversion. Hostility, hatred, mistrust, rumors. Moral crisis. Corruption. Hundreds of thousands of refugees. Wasted foreign credit (moral credit, because financial credit we never had, only debts!).

What we now need is a more determined, more engaged, and more natural attitude on the part of the opposition. The opposition must tighten its ranks. It must no longer allow itself to be deceived and dispersed, or to be left at the tail end of events. We have leaders, we have organizational structures, we have an authentic message that hundreds of thousands of people in Bucharest and throughout the country have sent to the opposition. Unity! Abandoning all its lamentations, personal pride, and pain the opposition—both in Parliament and outside of it—can become the spokesman and organizer of the Romanian people's struggle for freedom. For those less credulous that is the lesson to be learned from the experience of Poland, Czechoslovakia, Hungary, Lithuania, and all those who in unity managed to shake up and remove communism.

Second, we need faith. If we are convinced that we are right, why waste time on persuading ourselves that this is the situation. Since so many times we have seen the "street," i.e., hundreds and hundreds of thousands of people fed up with the patent bad faith of the authorities, with communist imposture, unkept promises, and lies, why don't we have faith? The power is in us!

Those who do not learn from history have every chance of repeating it. And those who do not learn even from their own experience deserve their fate. And if we do not care about our own present fate, at least we should feel responsible for the fate of our successors, our children and those not yet born who, in a moment of despair will have to do what we need to do today. Now.

#### **Government Seen Encouraging Interethnic Tensions**

91BA0796A Bucharest ROMANIA LIBERA  
in Romanian 24 May 91 p 1

[Article by Octavian Paler: "Identity Crisis"]

[Text] My father was one of the Transylvanian Romanians who in World War I found himself in Mackensen's army. Taken from behind the plow and enrolled together with all the other lads like him, he was carried by the vagaries of the war all the way to Galicia; later, his regiment, made up solely of Romanians, went marching through Bulgarian mud toward the Danube. Before crossing the Danube, Mackensen ordered the Romanian regiment to be dispersed and scattered among the other units. However, before that happened the troops and officers of the regiment managed to meet one night in secret and to adopt a password under oath: "All the bullets to the stars!" Shoot all the bullets in the air in order not to risk committing the horrible crime of killing



another Romanian.... I remember my father's voice when he told me about that episode. Without any emphasis. Simple. He thought that was something normal and he told me about it with the same calm with which he told me how he deserted from Mackensen's army in order to join the Romanian Army.

Our parents appear to have had a simple idea of patriotism, while our generation seems to be cursed to do the opposite of what they did. The victims of December 1989 and later serve to testify that at least some of us did not shoot in the air. Recently the Romanian Parliament passed a law giving the Army and the police a right that General Milea in vain searched for in the military regulations and the legislation of the dictatorship: to fire at their own people. The lesson of the generation that reunited Romania was completely forgotten by the gentlemen who almost one and a half years ago appeared to be constantly wearing tricolor armbands—or at least when they showed themselves to us on television.

And now they traffic not only with goods that are scarce on the market. They often traffic with our patriotic sentiments. And if anything was still needed to complete the morass in which we found ourselves pushed, that "something" is now here. It is a wind of xenophobic madness aiming to threaten our hopes of nevertheless becoming integrated in Europe. In fact, if it were a matter of a few isolated aberrations we would not even bother to deal with them. What is bad is that the xenophobia of which we thought we had been cured by Ceausescu's disappearance risks becoming an epidemic, and at times of crisis such epidemics can easily turn into catastrophe. Need we cite the example of Hitler, who came to power through free elections? After all, we did not shed communism in order to fall into fascism, or even worse, into a combination of communism and fascism. The authorities reacted against disorderly antisemitic outbursts. That was a good thing. Unfortunately, we are forced to observe that the extremists, both on the right and on the left (or on both sides at the same time) took advantage of more than the confusion of a traumatized society. They are, I would say, the bastards of the current power. They raised their heads from the cellars of the power that wanted to use at least some of them as a diversion in order to silence critical voices in the opposition and to divert attention from the bankruptcy administered by the current rulers. They are in fact the natural outcome of the irresponsible and antinational policy that did not hesitate to stir one wave of hatred after another in order to promote its own interests: first against the historical parties, then against Romanians from the diaspora, and then against the intellectuals. What is more, the authorities tried to profit from interethnic tensions and exploited the resentments of an impoverished country against Western prosperity. At one point it did not shrink from resuming an isolationist demagoguery such as that by which Ceausescu strove to psychologically reinforce the iron curtain. The national interest demanded that the country be told the truth about everything so that it could be healed of

suspicion. Instead, the power exacerbated its original sin (it lied from the very beginning) and continued to lie. The national interest demanded that a policy of reconciliation be genuinely adopted in order to curb the ravages caused by the discharge of tensions accumulated in the previous decades. Instead, the power used populist demagoguery to fuel the hostility among us and turned vendettas into an almost official policy. Amid this toxic atmosphere it was only to be expected that uncontrollable tendencies would appear. Is it not terrible that less than one and a half years since the tremendous booing that accompanied Ceausescu's helicopter flight, today I hear that flowers are laid on Ceausescu's grave, just as in antiquity flowers used to be laid on Nero's grave? This "brief news item" of course reflects the achievements of the Front. Will we discover that the gentlemen who were wearing the tricolor armbands whenever they appeared on television in the end managed to "rescue" only Ceausescu's suicidal xenophobia, which they turned into an epidemic? I suspect that the regime's bastards would very much like and may even try to emit mumbled siren songs in order to lure those disillusioned and disgusted with the administration of the current rulers. For the time being they agitate, trying not to miss any opportunity to present a false image of us to the world.

As a Romanian I also felt insulted by many of the statements delivered in Eger and by chauvinistic, irredentist, and anti-Romanian assertions. It is undoubtedly alarming that evident historical truths and even truths stemming from common sense are sometimes deliberately misinterpreted, as was the case in Eger, where some participants unfortunately talked about the "illegitimacy" of the Paris Peace Treaty, the "death of Transylvania," or the "Romanian occupation." But I do not think that it is in Romania's interest that our natural disapproval and our equally natural concerns should be wielded—and discredited—by inciters to hatred and xenophobia, and by extremists rushing to pour oil on the fire in the Romanian-Hungarian relations and to play into the hands of extremists elsewhere. The fact that the West is increasingly talking about the development of a fascist-type extremism in our country should serve as a warning. Is this what we want, to give a false impression of ourselves, instead of intelligently and responsibly combating untruths that naturally we cannot accept? Forgetting (or not caring) that they may play with fire on their own account but not on ours, at the expense of all of us, the extremists are taking advantage of the country's present misery, deepening discouragement, and of our emotional exhaustion in order to pull us into the stinking quagmires of xenophobia, chauvinism, and racism. And I shudder to think of the dangers implied for Romania's fate by an antinational demagoguery which actually boasts its nationalism. This kind of demagoguery risks disfiguring our true identity, which is not that of a xenophobic people. The vicissitudes of history sometimes caused us to not see clearly and to grope around. But we did not confuse falsely patriotic demagoguery with real patriotism even when the umbrella of our princes was forcibly opened over Ceausescu's festive



masquerades. Our patriotism is an expression of our intelligence, not of visceral impulses. And we have not yet forgotten that this country was humiliated by both those who oppressed our virtues and those who whipped up our instincts. We have not yet forgotten that whenever the intention was to isolate us, we were urged to hate. Those who are nostalgic about class hatred are now joining hands with those who feel nostalgic about race hatred; however, we hope that they exist only to force us to wake up and to remind us that our rebirth cannot come from hatred, that all the false patriots who urge hatred are in fact after something other than such rebirth. The time has come to find our true identity as Europeans who, aware of the price of intelligence, will not let themselves be fooled by those who humiliate us by flattering what is basest in us.

### Parliament Criticized for Overlegislating

91BA0787C Bucharest ROMANIA LIBERA  
in Romanian 21 May 91 p 4

[Article by Augustin Muraru: "The Legislation Syndrome"]

[Text] Both Parliament and the government seem to be suffering from a legislating syndrome. We already have an inflation of laws. Recently, in order to demonstrate how far we have come on the road to democracy, one legislator was boasting to a foreigner that our Parliament has passed 80 or 90 laws. As if a democratic society was gauged by the number of bills and their length. We are already beginning to confuse between a "beautiful" law and the reality. Like under the old regime we continue to believe that the law is a miracle remedy capable of making wishes come true.

The law, which we got from the Romans, is a "vinculum," something that binds, obligates, restricts, stops, and constrains. It serves to stop a citizen from doing something. More often than not it dictates total or partial inactivity.

Of course, a society—especially a democratic society—cannot exist without laws. But there is also such a thing as unwritten laws, of which native Romanians have many. When 50 years ago I was plowing the land the same way that 80 percent of the people of this country did, I had not read any law nor did I know that there existed unwritten laws. But I lived and behaved according to unwritten laws—the law of the land and its customs.

Among other things that law forbade cutting down the hedge dividing properties. Some people, more argumentative than others, would go to court and fight according to written or unwritten laws for a foot of land. But it was all a waste of time and money. Most of the people realized that a foot of land more or less did not change the fate or happiness of a man.

Now, after decades of a communist, totalitarian regime whose objective was to deprive people of their last crumb

of freedom and economic independence, the one item on the agenda should be to free people from the constraints and restrictions imposed by the communist legislation. Naturally, it is not enough to repeal the communist laws. They have to be replaced by other laws. Laws can also serve to mend the damages caused by the implementation of the communist laws. But a new law makes sense only when its points serve to sanction rules of behavior and solutions accepted by or acceptable to the majority of the people.

Many of the laws passed by Parliament and many of the government's decisions are thick, complicated, and difficult to understand even by those who implement them. The same goes for the Constitution, which has been in the works for almost one year. If each Parliament member insists on having his ideas expressed in additional articles or paragraphs, there is a risk that the new constitution will look like a Christmas tree on which everyone hung his favorite ornament.

If this phenomenon continues we should not be surprised if one day the administration collapses under the weight of the laws. Already no one knows anymore—neither the legislators, nor the executive, nor the judges—what the laws and the legal solutions are. Not to mention a simple villager, tradesman, or tinsmith...

But there is an additional, more serious danger. Where there are many and complicated laws, there is great state power. There is much power in the hands of those who implement the law, large bureaucracies, and great expense for those whose work supports the entire social structure.

We noticed that the weaker the link between a government branch and people's well-being, the more loudly it demands laws to wield. It has come to the point where each head of a government institution requests at least one new law. A law that he views as some kind of sheepfold through which the citizen is forced to pass so that he, a higher or lower functionary, can shear or milk like a sheep. Recently the police and the state security also requested new laws to make it an obligation of "honor" for citizens to pass through an administrative "sheepfold" where they can be squeezed of every information: what they know, what they have seen, what they have heard, and what others think and plan.

In this manner, a democracy grafted on the vigorous trunk of the old regime, in which the omnipotent state was meant to be slavishly served by the citizen, is being created. A democracy in which some people ride the laws, cracking the whip of primitive paragraphs, raising barriers out of articles, and building legal pens in which the citizen can move along paths drawn by the legislator at the rate imposed by those who implement the laws.

You are right, honored reader! We cannot live without laws. Laws are necessary for the normal operation of the democratic body of the society. But the laws must be as few and as simple as possible, so that they can be understood and applied by everyone. They have a moral

justification only if they serve the interests of the governed. And we must not forget that laws are not everything. They have to be known and enforced. In addition, the functionary or the judge who applies them must be honest, incorruptible. Because it is better to live under a bad law enforced by an honest judge, than under a perfect law crookedly enforced by a corrupt judge. Consequently, our present legislators would do well to be equally concerned with building a judiciary system capable of offering guarantees of independence, impartiality, and absolute honesty.

### **PNT-cd's Diaconescu Surveys Political Scene**

91BA0787B Bucharest ROMANIA LIBERA  
in Romanian 21 May 91 p 4

[Interview with Ion Diaconescu, deputy chairman of the National Peasant Christian Democratic Party, by Sorin Popa; place and date not given: "Generation Changes and Sacrifice Levels"]

[Text] [Popa] Roman's so-called social democratic government has imposed very heavy sacrifice levels on the population. What is the PNT-cd [National Peasant Christian Democratic Party] doing to avoid falling into demagogical populism in order to win the voters, preserve its program, and also stay in the opposition?

[Diaconescu] The transition from a centralized economy to a market economy requires sacrifices that the public was willing to make in December 1989. Since January 1990 we have been demanding that the economic transition be carried out independently of the political struggle. We had asked the FSN [National Salvation Front] to concentrate on managing the national economy instead of becoming involved in the political struggle. We were not heard; they took up demagoguery and in order to win votes they made unacceptable concessions that led to the present serious economic crisis. The solution now is a hard currency financial impulse to unblock the economy; the capital, however, is not forthcoming, because the world needs to be convinced that the liberalization and democratization are irreversible in our country, not a matter of demagoguery. How can anyone trust these communist leaders who became transformed not even overnight, but only at the pressure of the masses in January-February 1990? We cannot make empty promises like the FSN that if we came to power milk and honey will be flowing the next day. We can only promise that we would replace economic slowdown by growth, that tomorrow will be somewhat better than today, and the day after tomorrow somewhat better than tomorrow. We will appeal to foreign investors who now do not trust the FSN. The FSN used to accuse us of wanting to sell off the country, now they are chasing after buyers and finding none.

[Popa] Is personal pride the only obstacle in the way of unity of the opposition? The "Current Events" of 15 April cleverly staged Mr. Cimpanu's appearance exactly after the announcement of the agreement reached at the

Conference of the Democratic Antitotalitarian Forum [FDAR] on pulling out of Parliament. Mr. Cimpanu denied any such opposition pact. What was the reality?

[Diaconescu] In politics, pride is a universal disease. As for Mr. Cimpanu's appearance, that was probably a misunderstanding; I watched his appearance, too. He did not deny the agreements reached; he and others were initially more reticent. They accepted the idea, but the right timing will be decided by the leadership of each party. It is not up to the FDAR to decide that as a superparty body, but up to each party individually; that is what he wanted to emphasize. Even before the elections we proposed common lists and a joint presidential candidate, but since the PNT-cd was the party most slandered by the FSN propaganda, the other opposition members thought they might lose votes by linking up too closely with us. We hope that the situation will change in the future.

[Popa] So withdrawal from Parliament remains a decided action and only the date remains to be set?

[Diaconescu] The unity of the opposition is important because the action of just a few deputies would have no effect. There is also the view that many things can nevertheless be achieved in Parliament.

[Popa] Many outside observers believe the opposite: Any position is immediately torpedoed by the FSN representatives and the opposition seems to keep its members in the House and the Senate for money and advantages.

[Diaconescu] That is a mistaken impression; many of them would have earned more outside Parliament. The fact that our influence is not seen is because out of eight to nine daily hours of debates, the Romanian television shows only 15 to 20 minutes of specially selected material in order to present a distorted image. I can give you many examples in which the opposition was able to change draft bills for the better; for example the land stock bill, although it is far from satisfactory, is 70 percent better than the government's version. We eliminated two ministers proposed by the prime minister, and there are many other things.

[Popa] Many people wonder why Mr. Ratiu and others like him in the opposition did not become involved in the economy, too, to neutralize the new mafia rising from among the formerly privileged?

[Diaconescu] You should ask him; what I can tell you is that he did not come to Romania to do business; he would have been damned if he did and is damned because he does not. Second, his money is not sufficient. For this, many, many billions are needed, a massive influx of capital and the investors I mentioned before.

[Popa] Do you have faith in the youth?

[Diaconescu] Of course we do, why wouldn't we?

[Popa] How and when will you reinvigorate the PNT-cd, which is viewed by the public as a party of old men? Are you afraid of suffering splits like the PNL [National Liberal Party]?

[Diaconescu] We have not had internal intergenerational conflicts like the PNL, but if our age is a crime, then that is the crime, not some special policy along this line. Our party is more than 100 years old and in 1946 we won more than 80 percent of the votes, but because of the communist maneuvers, our entire leadership and tens of thousands of members were sent to jail. We survived, and after being released we were persecuted for representing the PNT. We continued underground, and in December 1989 inevitably we were the ones who reestablished the party, with the idea of reinvigorating it as soon as possible. We were wrong in estimating that the reinvigoration will take one year; there is much suspicion and mistrust and the process of selecting and categorizing values is going slowly, so one year was not sufficient. But we have begun to shape cadres and we hope that at the fall congress we will refresh at least the middle echelon, and in at the most two years the generations change will have filtered to the top. By then the party will be thoroughly prepared for the confrontation with other political groups.

### Prospects of Civic Alliance Party Assessed

91BA0787A Bucharest DREPTATEA in Romanian  
21 May 91 p 2

[Article by Gabriela Stoica: "The Civic Alliance Between Political Arguments and Moral Criteria"]

[Text] To be or not to be (a party)? It was out of the misery of this dilemma that the National Salvation Front [FSN] was born, thereby committing the "original sin" that compromised the fate of the Romanian Revolution and its European and anticommunist significance.

It is regrettable that we have to recall this in the circumstances created by the Civic Alliance [AC] preliminary actions designed to transform it into a political party. The comparison works only at a superficial and tendentious level, so we will leave it for the "specialty" media.

Our thoughts concern the ethical aspect of this political decision and the guarantee for real credibility.

The AC was formed as "an expression of the Romanian civic society" (or of "the desideratum of the same name,") and occupied the blank space left in the political spectrum by apolitical and independent intellectuals. Its objective was to make laborious efforts to educate the people in the spirit of democracy, denouncing the moral crisis of the Romanian society and pleading for healing it by establishing ethical principles in politics. Some opposition political parties initially took a cautious or critical attitude, but later, when the AC leaders explained their goals, they adopted an attitude of cooperation and solidarity. The AC meetings in fact became meetings of

the democratic opposition and signaled the preconditions for long-awaited unity. The establishment of the Democratic Antitotalitarian Forum highlighted the role of "binding agent" and "catalyst" that the AC was pursuing.

Consequently, from the beginning the AC clearly distinguished itself from the parties by its very *raison d'être* and its declared objectives. The AC was pegged to become a forum of observation, dialogue, mediation, education, and opinion shaping; the "Etica Magna" thorn in the side of the political power. We were tempted to compare it with an Amnesty International of national efficiency and European authority. That is why the endeavor of an initiative group to lay the foundation of a political party demands a responsible weighing of the arguments for and against. We will deal with the moral implications of this decision, because the AC program and charter refer mainly to the moral crisis of the Romanian society and to the lack of credibility of a political power that has failed to put an end to the communist lies.

AC rallied outstanding intellectual figures, some of whom carry a moral authority consolidated by years of opposition or dissidence. They, however, belong to a "reservation" of moral models of the intelligentsia, the great majority of which is more attached to professional careers than to a militant calling.

Genuine credibility cannot be won on the run, through post-revolutionary acts of protest, but by integrating them with the protester's present and past. Since we already have a Front of Communist Salvation, we cannot afford to have another one for the purpose of securing pardon for careerism and duplicity. The fact that in the current crisis situation of the Romanian society the intellectuals have decided to become active and militant is a salutary and hope-inspiring thing. The establishment of the AC as a forum of democratic education for the creation of a civic society seemed to be the ideal formula for connecting intellectual energies and national interests. Along this line, every book published by the Humanitas publishing house and its director Mr. Gabriel Liiceanu is not only an act of culture, but also one of civic education. The young people who read Cioran, Noica, or Goma learn how to think fairly and freely; the indoctrinated are compelled to ask themselves questions. Humanitas has become a forum of denunciation of communism and a model of cultural institution at the service of democracy. An example of the contrary is found in the school textbooks that continue to pay tribute to party culture, although some of their authors are among the AC leaders. The participation of professionally competent people in the optimization of an opposition alternative for overcoming the current political, economic, social, and cultural crisis is a conscientious duty for our intellectuals. In order to fulfill this imperative there is no need to become a party and to enter the electoral battle. Generations of illustrious predecessors—from the Junimea and the 1948 Movements—engaged in party politics without wanting to

have their own party with their own initials. Such an initiative must be based on monolithic credibility and time-proven solidarity in resistance and struggle. In reality, these arguments work only in connection with the historical parties. Their survivors constitute "types" of anticommunists, whereas AC opponents represent only individual "cases" who remind us of the isolation of the Romanian dissidents. The open postcommunist society cannot function right unless its windows are equally open to the past and the future. Generalized guilt provides indiscriminate and artificial absolution, thus preempting the recovery of the past and the return of truth. Self-repression was accepted among all the social categories, because the sense of preservation merged with active and penetrating inclinations toward protest. The champions of reconversion polluted the anticommunist political zones, thereby setting precedents and contributing to discrediting the criteria. It is clear that the intruders who infiltrated the historical parties will have the greatest trouble holding out. The moral authority of those parties will increase as historical truth is reinstated and as the crimes of communism are revealed. Along this line, they offer the sounder future and open doors to the young people aware of their past. By joining the traditional parties our "intelligentsia" gains a chance to de facto win the credibility forfeited under the communist dictatorship. A comparison with the democratic political movements in Czechoslovakia, Poland, or Hungary does not stand up. In those countries the intellectuals in time forged an opposition that represented the ethical resistance of the nation, capable of blocking the establishment of a personal dictatorship and even of tempering the system. At the hour of the revolutions its moral authority was a reality recognized by European public opinion. Subsequent electoral victories were built upon that trust capital as expressions of a degree of political culture based on a functional civic consciousness; to a large degree that was due to the models that the intellectuals and the church constantly offered. Conclusive attitudes taken before the revolutions cannot be forgotten: While Czechoslovak theater actors and directors were refusing to perform anymore, and Hungarian newspapers and magazines stopped appearing, in our country Eminescu's centennial was integrated in the national shame under Bobu's patronage. The 15th congress guided writers' pens and the director of Bucharest's National Theater was explaining on BBC the success of salami rationing.

Genuine moral credibility is derived from a history waiting to be restored by the survivors of the historical parties, former political prisoners who deserve the support of the intellectuals and the trust of the youth. Their electoral failure was brought about not only by fraud, slander, and the masses' lack of political culture, but also as a consequence of the communist culture that had taken control of people's minds and souls, serving lies and "artistically transfiguring" it by means of the seven arts. If in our country the change in mentality will take much time and effort, the responsibility for it lies not only with the system and its jabbering spokesmen, but

also with the professional zeal that fed the work of communist deformation through education, culture, and the media.

The opinion poll taken by the Group of Social Dialogue and published in the magazine "22" by Pavel Campeanu called attention to the fact that the FSN has lost many voters who have not been picked up by the opposition parties. Do the proponents of turning the AC into a political party count on the votes of those disillusioned with the FSN in the electoral race? In reality, many of them abandoned the Front in order to move—at least in intention—to its nationalist left or right, not to a new, promonarchist party. The AC could sooner count on those disappointed with the Liberal Party, something that would not help the opposition anyway.

On the other hand, since many of those who enrolled in the AC already belonged to some evidently anticommunist parties, the alternative of a firm option could increase the number of the undecided, on whom election results often hinge. There is a risk that, rather than being a binding agent, the AC may become a genuine thinning agent for the opposition and its electorate, something that we are positive is not its intention.

#### Authorities 'Lied' About Hidden Securitate Files

*AU1806143691 Bucharest ROMANIA LIBERA  
in Romanian 14 Jun 91 p 1*

[Editorial by Octavian Paler: "Sin and Guilt"]

[Excerpts] Of course, one can talk a lot about sin and guilt—as was done by some of the participants in a recent TV discussion on this subject, which left me with the feeling that there is little hope of really facing the truth. But I am afraid that these days we are not ready, and maybe not even inclined, to listen to vague discourses about the "impenetrable" nature of sin or the longing for anarchy professed by one of the participants in the TV talk. We would rather know why we were lied to for one and a half years when we were told that the Securitate archives were kept under guard, in an Army safe place, only to find out—rather suddenly and by chance—that the power laughed at us [allusion to the documents dumped by the former Securitate in the village of Berevoiesti]. The old relationship between the watched and the watchers has been restored and, without our knowledge, the archives were returned to the watchers—if they had not been in their possession all this time—with the approval or complicity of those who lied to us. Therefore, the watchers can avail themselves of the memory of the last half century in Romania and can wipe out traces, destroy compromising documents, burn and bury them, or they can falsify them and manufacture, if they so wish, a whole past with false documents. In short, they can make the trial of the nightmare obsessing us all impossible, a trial that the government itself has promised to hold at a certain point. Instead, there is talk on television about the "impenetrable" nature of sin. Unfortunately, we are farther than ever

from true national reconciliation, among other things because of the fact that authentic reconciliation cannot be based on lies. [passage omitted]

When tackling the problem of guilt, we are moving in circles as each supporting argument becomes invalidated. Is it possible to have a renaissance based on memory-washing? Probably not. We are apparently witnessing a banal xenophobic intoxication of the spirits, various instigations to hatred, and the unscrupulous exploitation of the national sentiment for dishonorable purposes. [passage omitted] This may cost us dearly—to see a Romania threatened by fascism without it having properly come out of communism. Therefore, I ask myself: How innocent is it to hold a frivolous discussion about guilt at this time? How can we achieve a renaissance without knowing what moral infernos lie within us? [passage omitted] I believe that if we had conducted a sincere discussion after the revolution in order to thoroughly understand what happened to us in the last 50 years, many misfortunes (maybe even the incursion of the miners) might have been avoided. Likewise, the prospects would have been less dismal now.

### Emigre Culianu on 1989 Revolution, Security

91BA0826A Bucharest "22" in Romanian 5 Apr 91  
pp 8-9, 15

[Interview with emigre Professor Ion Petru Culianu, by Gabriela Adamesteanu in Chicago on 2 December 1990: "The East European World: A Tragic Loss of Time, People, and Energies"]

[Excerpts] [Adamesteanu] How old were you when you left Romania?

[Culianu] twenty-two. Like your magazine.

[Adamesteanu] You are probably the only one to leave at such an age, which allowed you to belong more deeply to the new world you entered.

[Culianu] Some left even earlier. Andrei Codrescu, for example. He is a great writer and also enjoys an extraordinary appreciation as a reporter in the United States. He is very good as a poet, too, but his success does not come from his poetry, but from the fact that he speaks very often on National Public Radio, which is a very popular station with intellectuals. In the United States public radio does not have much money (only private stations have sizable resources), but it has very high quality programs. And Andrei Codrescu is one of the contributors who guarantee this kind of quality. My case is different. I write in six languages. When you write in six languages, you don't really have a language of your own!

[Adamesteanu] Did you continue to write literature during these years?

[Culianu] I wrote, then I stopped. I actually did not have a language in which to write.

[Adamesteanu] Do you lose one language when you begin writing in another?

[Culianu] I think so. You have to decide in what language you are going to write. I left from Italy, so my Italian is very good, but I have been writing in Italian only recently; when you write at a loss it's very different then when you are commissioned to write something. I won two doctorates in France, I write my scientific books in French, but about literature I hesitated very long. In the end I began to write in French, but I published in Italy. Things don't always happen according to plan. In fact, they never do.

[Adamesteanu] You stopped writing in Romanian immediately after you left?

[Culianu] No, no. I wrote several novels in Romanian, which I threw away. I'm glad I did; I realized what an extraordinary piece of luck it is when you don't have an immediate relief valve where to toss your writings. [passage omitted]

[Adamesteanu] Have you been following events in Romania during this time?

[Culianu] I've been following them with growing pain ever since the spring, or the winter. In the beginning I did not suspect anything. All of us have been very skillfully led by the nose by whoever directed the great television script, haven't we?

[Adamesteanu] In the first few months of last year I lived (like so many other people) with the impression that our "good" television went to pot after two months. Later I thought that everything might have begun with the very first clip.

[Culianu] Yes. Except that this script had been studied very thoroughly. It was said that it had been the most successful and spectacular KGB operation after the troops withdrawal from Afghanistan. The KGB, of course, has a very considerable tradition of successes, especially abroad. Inside the Soviet Union it seems to be losing ground or to be studying very...alarming scenarios.

[Adamesteanu] Nevertheless, the people did come out into the streets spontaneously. That is also the thesis of Romania Mare [Greater Romania], that there was no revolution.

[Culianu] I don't know what Romania Mare's conclusions are. My conclusion is that Romania Mare exists precisely because there was no revolution. If there had been a revolution, Romania Mare would not have existed. Of course people came out into the streets, except that that had also been in the script. I think that as far as the staging of the scenario went, it was a great success. However, since later foreign correspondents began to notice incongruities, beginning with victims that were not victims but bodies from the morgue, and...

[Adamesteanu] But more than 1,000 people died...

[Culianu] Yes, some of them died a very curious death. Although the Securitate had joined the provisional government, busloads of Securitate men were dispatched to support the Army, the Army opened fire, and entire buses fell. As far as I understood, very many of the victims were either gratuitous or diabolically calculated to create blood. That was the most terrible plan that could be studied and carried out.

[Adamesteanu] But why did it call for so much blood?

[Culianu] I don't know. Maybe it's the national character. If Ceausescu's dictatorship was part of the Romanian character, then some blood was obviously necessary. But those are only hypotheses.

[Adamesteanu] I feel a bit hurt when you attribute everything to the KGB. Does it mean that the Romanian Securitate could not have organized everything itself?

[Culianu] The stupidity of the Romanian Securitate is monumental, of unparalleled depth.

[Adamesteanu] Why did we need such a spectacular transition when all the other Eastern countries did not produce even one victim?

[Culianu] I don't know how many victims were planned, but I think that some bloodshed was planned. If you did not have any blood, you had to make it flow. After all, the East European countries did not have a Ceausescu. Only the Romanians could afford that kind of "luxury."

[Adamesteanu] How great could Ceausescu's real power be if in one day he became, from an all-powerful dictator, a hitchhiker?

[Culianu] That shows that the entire Securitate left him in the lurch. He was going to his stronghold in Tirgoviste, where he found the Army dug in, but no one took him in. Dorin Tudoran has just written a very good article in which he said that in fact everything that is happening (that is not his hypothesis) in the Soviet Union and the satellite countries is simply a KGB plan. It is possible that at some point the KGB, working with a supercomputer (there are computers that cost tens of millions of dollars and can work out a model of the world for a few decades or longer)—under Andropov—saw that the model was not going anywhere. So they realized that without a market economy the losses will be greater than the gains. They pulled down the wall and they evidently started all the movements in the satellite countries.

[Adamesteanu] But don't you think that the satellites are now escaping?

[Culianu] To tell you the truth, I don't think so at all. Germany is the Soviets' most spectacular coup. All of Germany is now leaving the West European consortium: That will be the price paid for the annexation of East Germany; the political price, not the \$8 billion presented to the Soviet Union, and so forth. But politically, even if it stays in NATO it will be completely out from under the Western umbrella, while NATO will completely change.

So it is a very great Soviet victory, what with West Germany out of West Europe's common political program because of East Germany and the Socialist Party. Now it seems that currently the KGB is not in control of the situation in the Soviet Union. I don't know whether that's true. There may be some new diabolical plan.

[Adamesteanu] You are not going to tell me that the KGB is behind Vatra Romaneasca, too?

[Culianu] The Securitate is good enough for Vatra Romaneasca. KGB has other business to mind, and in Romania everything is going without a hitch. Except for the economy. But the economy is not doing well in the Soviet Union, either. Hungary was already used by Andropov to study the transition to a market economy. That's why on his deathbed he urged the KGB to continue along the same path. Do you think that Gorbachev personally carries so much weight? Not at all. We all know that a head of state is a puppet.

[Adamesteanu] Was Ceausescu a puppet, too?

[Culianu] At some point Ceausescu was in everybody's interest. That's probably why he was tolerated for so long. By both sides.

[Adamesteanu] Why was Ceausescu in the interest of the West?

[Culianu] There are subtleties that I don't know about, since I have nothing to do with politics. But I can hypothesize. For a while he served as an intermediary in the Middle East issue. Romania was the country where secret PLO emissaries could meet with secret Israeli emissaries, and so forth. It was probably the venue of operations that we don't even suspect. As for Iliescu, I don't think that he has the same key position that Ceausescu's first liberalism secured him at the beginning of the 1970's. Iliescu is a newcomer...

[Adamesteanu] But doesn't what is happening in Bulgaria, for example, mess up your scenario somewhat? They overcame the election hurdle. Both their Parliament and their president, Jelio Jeleu, who was elected from the opposition, provide greater credibility.

[Culianu] Are you trying to say that the events in Romania should be blamed on the Securitate, rather than on the KGB? Yes, that's right. Except that the Securitate is so large and so stupid that I don't see what...

[Adamesteanu] Matei Calinescu said that the Securitate now controls only parts of society, not all of it.

[Culianu] He is right. Except that the Securitate creates diversions, controls the nationalist politics and Vatra Romaneasca, and it controls the media. And it has an extraordinary influence. They can always say: "After all, we did it, so you cannot complain." Now I realize why Romania Mare can support the same thesis as I, yet arrive at completely opposed conclusions.

[Adamesteanu] That explains the attempts to rehabilitate "our good Securitate" which rid us of Ceausescu.

[Culianu] So now someone has to rid us of the Securitate.

[Adamesteanu] Do you have a script?

[Culianu] We'll wait and see. It's possible that in the end the economic considerations will prevail....

[Adamesteanu] Have you been following Romanian literature?

[Culianu] Up to a point. As I was telling you, I read your book, *A Lost Morning*, in 1984. I read the novels of Augustin Buzura, whom I admired until the revolution, but not after. [passage omitted]

[Adamesteanu] Let's go back to the time of your departure.

[Culianu] I left in 1972. I had a book with Cartea Romaneasca [Publishing House], it had been announced in the 1970 program of the Eminescu Publishing House, then Mircea Ciobanu took the manuscript with him, but without much hope. It was a book of surrealistic stories.

[Adamesteanu] Oneiric?

[Culianu] Yes. That's how I would have probably described them.

[Adamesteanu] Later, after the 1971 Theses, the term of oneirism disappeared and so did the oneiric literature.

[Culianu] I can't understand why my stories could not be published. I think that when the chief editor called me to regretfully tell me that he could not publish me, the magic word had been spoken. But after 1970 even the magazines were no longer publishing me because I had very definitely said "no" to the Securitate man who had asked me for certain services. And when he asked for those services, the Securitate man asked: "What do you want to do?" "I would like to write, to study." I was a student of Italian. "And what would you like as a profession?" "I would be interested in working for a magazine!" He said: "We can do anything!" Except that I was not a good boy. And since I was not a good boy, the signs appeared immediately. After 1972 I could not publish my prose any longer. That was a clear sign that there was not much left for me in Romania. I fortunately got the message and was able to leave in 1972, two weeks after graduation.

I stayed in Italy almost five years, then I moved to Holland, where I lived for 12 years with some interruptions. In 1975 I was a student here, in Chicago, and I studied with Mircea Eliade. [passage omitted]

[Adamesteanu] How many books have you written altogether?

[Culianu] Fifteen. I have several books that have almost disappeared (brought out by minor publishers in very small editions), while others were very well received.

Most of them were published in Italy, only about five in France. In the United States I have one book published and four under print. Recently I also published several stories written with a collaborator. A book for four hands. I write my scientific work well in English, but for literature I need something else.

[Adamesteanu] Isn't that translating?

[Culianu] No, no. Not at all. We write everything together. In fact, that's much more fun.

### Controversial Film 'University Square' Reviewed

91BA0787D Bucharest DREPTATEA in Romanian  
15 May 91 p 2

[Article by Adrian Marino: "The Meaning of a Movie"]

[Text] The movie "University Square—Romania" has many good things about it, beginning with the most important, which is that it provides a genuine document of the time, one of the most important and revealing about the sequels of the Revolution of 22 December, and perhaps the most accessible and suggestive of all.

At a higher level, the movie uses conclusive images to clearly explain the real state of mind in the country after the revolution: a divided Romania, outraged, traumatized, and with a bitter taste, some of whose people can no longer identify with any of the structures nor with any of the symbols of the new regime which is seeking to rescue the communist system in the country. The movie wonderfully reveals this split psychology, which feels increasingly alienated and torn from all the oppressive forces in Romania. For that reason it is dominated by disgust and outrage against everything that persecutes and constrains it with totalitarian and repressive brutality. It is at once a cry of protest and a resistance manifesto.

The main hero of the movie is the Romanian youth, about whom anything can be said. One reality, however, rises above all others: We see the image of a new generation hungry for ideals and truth, purity and freedom, and even for the absolute; a generation that loathes lies, imposture, and hypocrisy, duplicity and cynicism. In other words, precisely what an old-type political activist educated in a communist spirit cannot understand or digest. Consequently, a dialogue of the deaf: on the one hand, the truth about everyone and everything, about "Revolution" and "terrorists;" on the other, the entire perfidy of a system that wants to survive and to hang on to the power at any cost.

The University Square demanded frankness and inner honesty; it spoke about moral principles and values and it gave prayers. On the opposite side there was the grin of brute force, insults, slander, the club of repression, and the obsession of "destabilization." Between those two "Romanias" there could be no civilized dialogue. The movie "University Square—Romania" presents a live image of the intransigence—combatant or resigned



under constraint—of the most alive, purest, and more promising element of our nation. That is no longer found in the ideological, political, and social system that is still today dominant in Romania. Thus, the first special quality of the film is this: It both illustrates and produces this kind of discrete state of spirit both in the actors and in the spectators. We radically distance ourselves from communism and we identify with the other side.

"University Square—Romania" also shows scenes in which Mr. Iliescu thanks the miners who not only savagely abused the youth in the square, but also ransacked the offices of opposition parties. Once again we realize that we cannot identify (if we ever did) with a president who overtly pursues a class struggle and pays homage to "workers solidarity." On the contrary, we wish for a Romania belonging to all social classes, categories, and strata, and for a president who belongs to all the Romanians, without any discrimination.

But what do we see? A president who speaks in the style of a communist leader in the name of the "leading class," on whom he keeps wanting to lean and to whom he offers public thanks. We see images and clips that seem to come from another world and another historical era, an anachronistic and profoundly reactionary phenomenon. The president is still a communist and he wants Romania to stay communist. He wants it to stay in the communist camp that is collapsing under our own eyes. His pilgrimages to Beijing and Moscow have demonstrated that, and the recent fealty treaty with the USSR contributed to confirming this antinational policy. Calling in the miners and signing this humiliating treaty were the two most serious, unforgivable blunders committed by Mr. Iliescu. History already condemns him.

The movie is filled with more revealing images, all of which have a symbolic value and a profound meaning. We see a frightened man who obviously understood absolutely nothing, visibly disturbed and irritated by both the demonstrators in the square and the forces of repression. We see especially "good people" cursing the youth and noisily applauding the miners. I well remember the reaction of a woman driver at the time upon being forced to bypass University Square: "If I could, I would drive the car straight into them." Such reactions evidently come from another world, from another mentality and society, and perhaps even from another Romania. The movie forces us to carefully reflect on all these regrettable phenomena. They cannot be either ignored or dismissed.

We are probably looking at two Romanias that are growing increasingly farther apart from each other. One is a democratic, pluralistic, pro-Western, individual Romania diversified at every level and a supporter of a market economy, with strong instincts for private property and initiative, while the other appears to have internalized egalitarianism, down levelling, populism, mental dressage, and Ceausescu-type chauvinism, not to mention the isolationism of the *nomenklatura* class, who wants only "peace" and who has willy-nilly adjusted to

the existing order and situation. The idea of revolution, opposition, resistance, overturn, and even change is simply scary to that class.

The habits associated with it, shaped over decades of standing in line under the terror of the Securitate and as the consequence of complete helplessness vis-a-vis a repressive state, and against the backdrop of evident civic and political underdevelopment, have led to the terrible consequences we see today. What can be more amazing and revolting than seeing the aggressive miners cheered? Nevertheless, many—why not admit it—very many still think and act this way: They are conformist, docile, cowardly, opportunistic, selfish, well trained, and without any conviction other than their immediate petty material interest. "What are they selling today?"

This inert, politically underdeveloped mass, easily manipulated, misled, and even cynically deceived by the television and led by the nose, seems not to have any other basic concerns. It lives only from one day to the next. So we cannot identify with these "conationals" either, brought to the screen apparently only in order to illustrate this sad reality of human and social levelling down and degradation. The courage and protests of the University Square youth only exasperated the cowardice and conformism of this amorphous mass bent and made brutish by decades of dictatorship. Recovery is not impossible, but it continues to be difficult. It requires time and different economic conditions. Only well-consolidated private property gives the individual real dignity. Only money imparts genuine freedom and independence to our conscience and movements.

I am obsessed by other unforgivable images, too. There is the face of the sinister brute under a miner's hard hat, the mug of a sly, alcoholic anthropoid shamelessly lying about having found drugs and weapons at the office of the National Peasant Christian Democratic Party. And to top it all, even an automatic typewriter! In his mentality of an underdeveloped humanoid freshly risen on its hind legs, that was the supreme proof of destabilization and subversion.... One is perplexed: How can people lie so cynically and so irresponsibly? What could be going on in the head of this loathsome primitive creature whose identity will some day have to be established and will have to have his health condition checked? Once again we have to say that we do not identify with these brutes either, whom the movie most opportunely brings to the fore. We do not want them and we do not love them. They are not a part of our world, not of the Romanian world nor of the civilized world.

Equally skillful and highly professional was the montage of images illustrating to perfection, the current and typical contrast between the authorities' words and actions. What does it say and what does it in reality do? The contrast was at times so violent and grotesque that the audience (in Cluj, for example) was bursting out laughing. Another sign of the times: a mixture of the ridiculous and brutality, of demagoguery and clubs, of smiles and grins, of Caragiale-like comedy and sinister



repression. A regime that produced absolutely ridiculous parliamentary spectacles with "Deputy" Dumitrascu in the main role, and bathed in blood, Marian Munteanu, the symbol of University Square....

The successors of Ceausescu's Romania in Parliament and in the corridors of power would like to ban this

movie. They feel nostalgic for censorship and guided culture, control visas and party permits. Minister Andrei Plesu, much to his credit, broke that tradition. For his courage, objectivity, and strictly cultural nonconformism he deserves the support of all the Romanian intellectuals who believe in the freedom of creation and expression in every area.

**Branko Kostic on Compromise Platform**

*91BA0813B Belgrade BORBA in Serbo-Croatian  
10 Jun 91 p 3*

[Comments by Dr. Branko Kostic, vice president of the SFRY from Montenegro: "A Compromise and a Change of the Sequence"]

[Text] Titograd—"The platform offered by Izetbegovic and Gligorov constitutes a physical merger of the two conceptions—the federal and the confederal. If international law recognizes it, and if an opportunity is found for Yugoslavia to be preserved as a unified state community, as an international legal entity, with maximum possible rights and sovereignty of the republics, I personally think that a solution should be sought on that platform for overcoming the crisis into which we have fallen and for seeking some possibilities of living together in Yugoslavia," Dr. Branko Kostic, member of the SFRY Presidency from Montenegro, said in part in an interview for BORBA.

"Only such a Yugoslavia opens up the chance and opportunity of survival without internal conflicts and civil war and for us then to seek the possibility of a way out of our economic difficulties. Under those new conditions, with fewer unemployed, with larger production, and with a smaller number of citizens close to the edge with respect to social welfare, it will be easier to find solutions for governing the country that will be satisfactory to everyone."

"As a matter of fact, I see a way out of the Yugoslav crisis," Dr. Kostic continued, "but under the condition that all the most responsible factors in the republic understand the depth of the crisis and blind alley into which we have fallen and if they show a readiness to draw back from some of their commitments which are now on the public scene in certain options. If, for example, the HDZ [Croatian Democratic Community], which is now in power and whose right to govern Croatia I have never disputed for a moment because the Croatian people elected it, sticks to the position of creating an independent Croatian state exclusively with Croats, then it is more than certain that we will have a bloody war and a showdown today or tomorrow. Many of us will be killed utterly unnecessarily, and I am not really sure that in that kind of most unfavorable hypothetical position the Croatian people will be in a position even after such a war to examine whether it needs an independent state or not."

After we reminded Dr. Kostic of his proposal for changing the sequence of electing the president and vice president of the SFRY Presidency, we asked him whether he had changed his position after Sarajevo. His answer was clear: "With our initiative to change the sequence, we showed a readiness for a compromise solution and for seeking a way out of the situation that had arisen. The representatives of Serbia, Kosovo, and Vojvodina were also in favor of a compromise solution to the crisis that arose in the Presidency, because they

supported my initiative for a different sequence in electing the president and vice president. If the rest had been ready for a compromise solution, then there would have been no reason whatsoever not to accept the proposed change in sequence and for Bosnia-Herzegovina and Macedonia, the republics that originated the compromise solution and platform for the discussion at the meeting in Sarajevo, to have those two most responsible positions in the Yugoslav Presidency."

"Not for a moment did we question the right of the HDZ that Stipe Mesic be a member of the Presidency and one among the eight equals and to represent the Croat people who had shown confidence in him. However, under the Constitution election of the president is actually regulated in such a way that neither the HDZ nor the communist organization in Montenegro may automatically impose their representative in the Yugoslav Presidency on all the others as the chief of state of Yugoslavia if that person is not acceptable as a person to a majority of the representatives of the Yugoslav people. That matter is as clear as day. Accordingly, no one can dispute my membership in the Yugoslav Presidency, because it was determined by the multiparty Assembly of Montenegro in which the Communists have a majority. But, if in my convictions and views I do not suit the majority of members of the SFRY Presidency, the Montenegrin Assembly has no reason to become angry at anyone if I am not elected vice president or tomorrow president of Yugoslavia. That Assembly of Montenegro must then elect some other candidate who could obtain the support of a majority of the members of the Presidency. Mr. Mesic now finds himself in that same situation. I have already said that I will not give my vote to Mesic, but also not to any member of the HDZ in whose political platform the main commitment is to creation of an independent Croatian state and the breakup of Yugoslavia. That would be hypocrisy on my part. I would cast my vote, say, for Ante Markovic, although I do not agree with him on many things, but he does favor the preservation of Yugoslavia. For me, the main commitment is not the political and ideological commitment of the individual, not even of Stipe Mesic, but his view and attitude toward Yugoslavia."

"Because the SFRY Constitution envisages election and proclamation of the president and vice president of the Presidency," Dr. Kostic continued, "and the operating procedure envisages the sequence, we in the Presidency make the decision. The operating procedure, for instance, can be amended with six votes. Accordingly, if Alija Izetbegovic, for example, or Bogic Bogicevic and Vasil Tupurkovski are really ready to work for the interests of Yugoslavia, as well as for the interests of their own conception and platform, then there is no reason why they should not accept the change in the operating procedure, and the sequence would be different. If we are really ready to seek a joint solution, then there it is, and neither Croatia nor Montenegro should feel defeated by this, because this puts us on the line of preserving Yugoslavia as a state community. If the new

operating procedure and sequence of posts in the Presidency are adopted, then it would be possible to foresee that next year the place of president and vice president of the SFRY Presidency would go to Croatia and Montenegro," Dr. Branko Kostic said, categorical in his position.

**[Box, p 3]**

**Never Under a Dictate**

When he was asked to comment on the numerous reactions of the opposition of Serbia and indeed of Montenegro concerning his well-known statement about Mr. Warren Zimmerman, the U.S. ambassador in Belgrade, instead of a comment Dr. Branko Kostic related a detail from Montenegro's statesmanship in the past.

"Peter I Petrovic Njegos, known to the people as Saint Peter, who faced constant wars against the Turks following the great famine which prevailed in Montenegro, sought and obtained help from his historical ally—Great Russia. Immediately afterward, instructions arrived from the Russian tsar through the representative of tsarist Russia how and in what manner Petar I Petrovic was to behave and conduct himself toward neighboring countries and toward the future of Montenegro. In that dramatic and tragic situation, when famine was raging through Montenegro, Petar I Petrovic Njegos wrote to the Russian tsar that he highly esteemed his help but that he nevertheless did not understand help as conditional upon him and his proud and self-respecting tribe now having to behave under the dictate of someone else."

**[Box, p 3]**

**Organizing Because of a Tragedy**

Interpreting the decision of the summit meeting in Sarajevo for Milosevic, Tudjman, and Izetbegovic to continue the talks, Dr. Branko Kostic said:

"I see those talks as one part of the activities that will be taking place for the simple reason that it is clear to everyone that interethnic conflicts and the national factor have been aggravated to such an extent because of the relatively large number of Serbs in Bosnia-Herzegovina and Croatia, and it is quite understandable that the most responsible people of those three republics or states should organize talks with one another. I think that the HDZ and Mr. Franjo Tudjman must radically change their position toward the Serbian population in Croatia. It is my belief that in the Croatian Constitution the Serbian people must be given back their constitutional role, just as it is held by the Croatian people, if in the Constitution they are going to take nationalities as their point of departure. It would be more intelligent if Mr. Tudjman and all others did not start with nationality as their point of departure, but with man the citizen. This means that everyone—Croat, Serb, or anyone else—has the same rights, status, and position in that Croatian state community. Otherwise, I will personally have an understanding and sympathy both for the SAO [Serbian Autonomous Oblast] Krajina and for all other

forms of autonomy when it comes to the position of the Serbian population. Up to now, they have not had a need to form an autonomous oblast, but now they are in a position of defending themselves against something, something which has remained in their memory as something extremely grave and serious. Europe and the world still do not know the full truth about the tragedies of that people. If today certain 'pictures' are repeated and there are tragic reminders of what happened 50 years ago—then it is quite understandable that the Serbian people will take steps to ensure that the tragedy does not recur."

**SDS Chairman on Seselj, Greater Serbia**

91BA0823B Belgrade BORBA in Serbo-Croatian  
12 Jun 91 p 10

[Interview with Radovan Karadzic, chairman of the Serbian Democratic Party of Bosnia-Herzegovina, by Dragan Bisenic; place and date not given: "Radovan Karadzic, chairman of the Serbian Democratic Party of Bosnia-Herzegovina, Talks to BORBA About Seselj, 'Greater Serbia,' Bitter Statements, and Good Will: Collapse of Coalition Means Ruin and Chaos"—first paragraph is BORBA introduction]

[Text] If we were to appear before the people and say, "The position of BH [Bosnia-Herzegovina] is defined, it is as stated in the federal and republican constitution, and it remains in the federal state," all tensions would be relieved. I am convinced that weapons would also become scrap iron.

In the almost daily anticipation of a resolution of the Yugoslav crisis, Bosnia-Herzegovina is being watched with particularly keen attention. Ethnically mixed, with three "nation-building" peoples, Bosnia-Herzegovina is regarded as a testing range where the bellicose dances will first begin and the brutal history of the previous war will be played out. In people's preconceptions, Bosnia-Herzegovina is the only state for Muslims, but simply a "reserve" homeland for Croats and Serbs. Furthermore, the majority opinion is that the Croats cannot threaten the central Yugoslav republic because of the "natural alliance in the flower bouquet." Accordingly, the problem of Bosnia remains the Serbs.

Radovan Karadzic, the leader of the dominant party of Serbs, the SDS [Serbian Democratic Party], has stated on several occasions that it is difficult to break free of the tendency to exaggerate certain incidents. For example, with regard to the "assassination" of Minister Ostojic, the lists for the "Massacre of St. Bartholomew," and calls to cancel TV subscriptions. One has the impression that the ethnically mixed government of Bosnia is already drawing its last breath, and it is here that we begin our BORBA interview.

[Bisenic] Alija Izetbegovic has made the survival of the coalition conditional on your renunciation of the Chetniks and the Chetnik movement?

[Karadzic] I cannot renounce Seselj because Seselj is not a member of our party. As far as the Chetnik and Partisan movements are concerned, we said in our program that for us there are neither Chetniks nor Partisans. It was on this basis that we united the Serbian nation in Bosnia-Herzegovina. Our party contains a small left wing and a small right wing, and thus one that leans towards the socialists and one that leans towards the rightist options, but we tolerate them in order not to split up the party and because a democratic party must have them. The democratic center is more numerous because we are in fact the party of the democratic center. As far as social programs are concerned, we lean a little towards social democracy. We base this inclination towards social justice more on our own Orthodox creed, not on social democratic ideology.

Thus, we can only renounce our own members and ask the more extreme members of our party to restrain themselves if their actions are bothering someone else. We will also call on other parties to do the same thing, because this is not the time for extremist viewpoints.

#### No Admission Ticket

[Bisenic] This is related to your statement to the effect that you like Seselj.

[Karadzic] I said that we regard Seselj with expressions of curious sympathy. We are curious about what he is doing, and his party is a legal party.

Do they really expect me to spit on the leaders of Serbian parties at a time when the SDA [Party of Democratic Action] and the HDZ [Croatian Democratic Community] are joining their banners? You won't see me doing that. I know that in BH it used to be an admission ticket to the political scene for Serbs to say negative things about other Serbs. No one can set out this condition for me.

I do not believe that the coalition is going to fall apart. If it were to fall apart, this would mean the ruination of political life in BH and chaos. The source of all the tension in BH is the change in the preelection program of the SDA, from an orientation towards a reasonable federation to an orientation towards a confederation. Then there was the open alliance between the SDA and HDZ and the onslaught on the Assembly with various declarations intending to proclaim BH sovereignty. This is unacceptable to the Serbian people. I am convinced that if we were to appear before the people and say, "The position of BH is defined. It is as stated in the federal and republican constitution, and it remains in the federal state," then all tensions would be relieved, and all the weapons that have been brought into BH and are still being brought in every day would become scrap iron.

[Bisenic] Have you spoken with Alija Izetbegovic in this regard?

[Karadzic] Recently we have reached several agreements to the effect that all three parties support a democratic

and peaceful solution, regardless of what it is. I cannot say anything about the rest right now, because we have not agreed to anything, but we are considering even the most daring of all the possibilities for BH. I can say what the Serbian position is. We are proposing that BH remain an integral, intact, completely equal federal entity in a federal Yugoslavia, regardless of whether it consists of three, four, five, or six federal entities. We will promote this type of BH, as well as full equality of all nations and citizens within this BH. Outside this arrangement, we do not see any security for the Serbian nation. No one can confederalize BH and separate it from Yugoslavia in a peaceful fashion.

#### Feelings Transcending Politics

[Bisenic] Sometimes one has the impression that instead of supporting this ideal you are unnecessarily aggravating the situation?

[Karadzic] We are not aggravating the situation, but we must caution that political life in BH is proceeding as if nothing is happening. But there is a terrible buildup of weapons going on, especially with the HDZ, its formations, and with others as well. We cannot sit around in the Assembly and chit-chat about laws. This would be like an old woman combing her hair while the village is burning down. We must caution that feelings in BH are changing and that the time could come when it will no longer be possible to control this situation.

Things that we were able to do three weeks ago are no longer possible. We have warned continually that feelings here could prevail over the organized aspects of political life. We will not accept the blame for this, and we must say who is responsible. It is those who are leaving the door open to Bosnian secession who are responsible.

[Bisenic] Who is doing that, because the Declaration on BH Sovereignty is a stumbling block here, although it was known in advance that the SDS would not accept any document that could be used as a basis for confederalizing BH?

[Karadzic] That door is being left open by the SDA and the HDZ. Now even the communists have made some efforts in that direction. Quite simply, the Serbian nation has found itself in a position of losing its homeland. Its primary homeland is Yugoslavia. We ask that everyone who is for that clearly take this into account, because Yugoslavia will survive. It is enough that two republics survive in a federal arrangement for the federation to remain and inherit the rights of the federation. The Serbian nation lives in Yugoslavia, which is the only sovereign entity. The republics are not sovereign. Anyone who wants and is able to leave Yugoslavia peacefully should do so.

### Serbs Are Autonomists

[Bisenic] Practice drills in the sense of "if you secede" have already been carried out. The SDS too has indicated that the Serbian nation can also secede?

[Karadzic] No. We want to stay in Yugoslavia. The current situation is such that we are part of Yugoslavia. Anyone who wants to should secede, but they must do so peacefully.

[Bisenic] Right, but if Croatia wants to leave Yugoslavia, then there is the "SAO [Serbian Autonomous Region of] Krajina," which, as you say, will not leave Yugoslavia; Bosnian Krajina and regions in Slavonia, which are linked to Serbia; eastern Hercegovina, which does not want to leave Yugoslavia; and western Hercegovina, which will move towards Croatia. What is left is something that is defined as "Greater Serbia."

[Karadzic] We cannot live at the behest of those who are afraid of a "Greater Serbia." We guarantee that we are not fighting for a "Greater Serbia." You know very well that even in Vojvodina there are autonomist Serbs, not Hungarians. Serbs are such that wherever they have their territory, they want to realize some form of self-rule, some type of autonomy. In Montenegro, the majority of Montenegrins consider themselves Serbs, but they want Montenegro to survive as a republic. Consequently, the Serbs are by nature autonomist. We do not want to create a unitary "Greater Serbia." We want to live freely and to have a great deal of autonomy in relation to the central government, as do those who live with us. Not to respect foreign laws, but rather our own, federal laws. I repeat: We want Yugoslavia. It would be good if it were as large as possible, because of the market, the economic and cultural forces, but if a greater Yugoslavia is not possible, then we want whatever is possible. I think that in 10 years the dominant opinion in Croatia and Slovenia will be that they want to return to Yugoslavia.

[Bisenic] You have spoken of lists allegedly being drawn up for the liquidation of prominent Serbs. Do you have proof of this?

[Karadzic] We have proof of various things that we are not yet ready to disclose. We do not have the lists in our possession, but we have heard that they are real.

[Bisenic] Why don't you disclose this proof if you have it?

[Karadzic] Because we will not reveal our source.

[Box, p 10]

### Serbs and Muslims Understand Each Other Well

[Bisenic] I think that you and Slobodan Milosevic are wrong when you say that in a federation the republics are not sovereign. In a federation, all states are sovereign members, it is only a question of to what extent.

[Karadzic] They are sovereign in relation to each other, but not in relation to the federal state. In a federation,

federal laws and the federal constitution take precedence over republican ones. Accordingly, they are not sovereign in relation to the federation, but none of them can impose their will on another. We will fight for a situation where no one can impose his will on anyone else.

[Bisenic] The federation is in the interest of the Muslim nation as well. Have you held talks on this basis?

[Karadzic] We have. Serbs and Muslims understand each other well in this regard. The fears felt by Muslims in a truncated Yugoslavia are felt by Serbs in a sovereign Bosnia. And that is a major problem. We understand that if Croatia were to leave Yugoslavia, the Muslims would feel uneasy, even though they would be the number-two nation in Yugoslavia in terms of numbers, they would always be entitled to one out of every two functions, and they would be able to secure equal status for themselves as citizens and as a nation, and for Bosnia as a cooperative republic. But this is not enough for them. The gentlemen from the SDA say that they are willing to remain in a modern federal state if Croatia remains as well. And now the Serbs are anxious about whether Croatia will secede. If it does secede, then we in Bosnia will have a problem. This is a thankless position.

### Serbian Opposition on Sarajevo Meeting

91BA0817B Belgrade BORBA in Serbo-Croatian  
8-9 Jun 91 p 5

[Article by E.B.I.: "Serbian Opposition Leaders: Dual Sovereignty Most Controversial"—first paragraph is BORBA introduction]

[Text] Vuk Draskovic: The "Gligorov-Izetbegovic Platform" is a basis for compromise. Kosta Cavoski: The proposed platform constitutes the well-known idea of a confederal Yugoslavia. Mirko Jovic: We are pleased that everything will be reduced to dialogue between Serbs and Croats. Vojislav Seselj: Absurd meeting of republican leaders.

Belgrade—Upon conclusion of the first round of negotiations between the presidents of the Yugoslav republics, which drew to a close the day before yesterday in Stojcevac, near Sarajevo, we turned to the leading figures in the opposition parties in Serbia for a brief commentary on the latest meeting of the group of six. The party leaders also commented for BORBA on the "Izetbegovic-Gligorov Platform," which was one of the topics discussed at the latest summit of republican presidents.

Vuk Draskovic, SPO [Serbian Renewal Movement]: I am not completely familiar with all the details of the "Izetbegovic-Gligorov platform," but in any event it represents a basis for compromise and further talks. The positions of the SPO have been known for some time now—the map cannot be changed by war, but if we are sensible enough we will realize that there is room in Yugoslavia for a Greater Serbia, a Greater Montenegro,

and a Greater Slovenia.... Anyone familiar with the SPO program knows that this new platform approximates our basic positions, which are, for reasons unknown to me, passed over in silence. The cantonization of Yugoslavia, its regionalization within the framework of existing borders, would mean that state borders would be respected while at the same time rendered senseless. In this way, we would draw closer to Europe and close the door to animosity.

Vojin Dimitrijevic, SRSJ [Alliance of Reform Forces of Yugoslavia] for Serbia: I am satisfied that the presidents have accepted the "Izetbegovic-Gligorov platform" as a basis for discussion. Naturally, we have serious reservations about this proposal as well. For example, the problem of human rights should not depend on European standards, because we are still not members of the Council of Europe, but rather on the series of international agreements that Yugoslavia has ratified (the Pact on Human Rights, for example).

We accept the proposal for a Yugoslav human rights court, but we are bothered by the word "parity." We believe that there are plenty of judges in Yugoslavia who would pass judgment in accordance with the law, and not according to their national affiliation.

We also object to the possibility that there will be parallel federal and republican armed forces. We are in favor of a unified, depoliticized, and professional armed force.

Moreover, we are bothered by the parallel, international subjectivity of the federation and republics, as well as the right to parallel diplomatic representation. We think that this is a waste of resources and energy, and that it would not fit in with international relations. This would certainly not be accepted by the United Nations, just as it did not accept the European Community becoming a member of that body. Thus, the platform may serve as the basis for further talks, but there are enough objections here that are also the subject of expert discussion and analysis.

Kosta Cavoski, SLS [Serbian Liberal Party]: I believe that the proposal by Mr. Gligorov and Mr. Izetbegovic constitutes the more or less well-known idea of a confederal Yugoslavia. Moreover, it is so unprofessionally formulated that it contains contradictory provisions about the simultaneous subjectivity under international law of both the federation and the member states. In our judgment, this is just a new attempt to promote the so-called confederalization of Yugoslavia, which is currently supported by the Slovene and Croatian leadership under a new guise. This is why we hope that no one accepts this new proposal in the name of Serbia and the Serbs, because in practical terms it would mean consenting to Serbs living in several independent, mutually opposed, and perhaps even hostile states with the status of a national minority outside the existing Serbia.

Mirko Jovic, SNO [Serbian National Renewal]: We are pleased that the first round of talks between the presidents has been concluded in this way. This is how it had

to end, because none of the chiefs have their own state, nor their own nation of people, and their presence was superfluous and ridiculous. I am thinking of Bulatovic, Izetbegovic, and Gligorov, for whom the father of the nation and state was Josip Broz Tito.

We are pleased that everything will be reduced to the dialogue between the Serbs and Croats, because it is obvious that the only problem that exists is the question of a fair border between the Serbs and Croats. This is possible only in two ways: through negotiations or through war. The Serbs are offering a peaceful solution, which is either federal elections throughout the entire territory of Yugoslavia or a new border between Serbia and Croatia that will include Slavonia, Baranja, Syrmia, and Serbian Krajina. Offers from the Croatian side are rare, because it is obvious that they are ready, even at the price of using weapons, to defend what has come down to them from Tito and Titoism.

We have absolutely no desire to discuss what Gligorov and Izetbegovic have put forward. They must wait for a resolution of the dispute between the Serbs and Croats and for the will of the majority to be obeyed. Any proposals by them whatsoever are ridiculous, and it is obvious that they, as some sort of neutral third party, want to accomplish that which is actually of interest to the Slovenes, Croats, and certain anti-Serbian circles outside Yugoslavia.

Vojislav Seselj, SRS [Serbian Radical Party]: I think that the meeting of republican leaders is absurd. The only bright point to these meetings was the convening of the press conference. Yesterday's failure to hold a press conference simply confirmed that there is no further need for renewed meetings. I do not harbor any illusions about the ability of the group of six to reach an agreement, and I honestly hope that Yugoslavia will fall apart soon.

New Democracy-Movement for Serbia: This group issued a statement in which it calls the talks between the six national leaders in Stojcevac, near Sarajevo, a division of national interests, reminiscent of a division of property after the death of the "common father" of Yugoslavia. In the last will, this "father" left debt, poverty, and a feeling of internal anxiety to the Yugoslav division. Unraveling the balance of divisions in the family household of the Yugoslav community will depend on unraveling the knot of the "three-headed Cerberus" in Bosnia-Herzegovina. Living together is possible, but only under the condition of independent, immature republics.

We interpret the failure to organize a press conference as a deliberate and agreed-to act in order that the property and inheritance not be prejudiced after the death of the Yugoslav community. There must first be a proper, civilized "funeral," with homage paid to the late "common father" of Yugoslavia, after which the property must be divided according to a legally attested will, the announcement says.

### Sandzak Leader on Serbian, Muslim Relations

91BA0821A Zagreb START in Serbo-Croatian 8 Jun 91  
pp 11-13

[Interview with Sulejman Ugljanin, chairman of Party of Democratic Action for Serbia, by Ramiz Mehulic; place and date not given: "Sulejman Ugljanin"—first paragraph is START introduction]

[Text] Completely new to politics, Sulejman Ugljanin has quickly found his bearings in the heated Serbian-Sandzak scene. Moreover, he has even been bold enough to threaten Milosevic's political satellites. A vehement campaign against him has recently begun in the Serbian media, which has developed into the dissemination of reports concerning his arrest. However, he clearly prefers his job in health services and has decided on a "professional" struggle for the rights of Muslims in Sandzak. In an interview with START, he discusses the origin of the idea of a Republic of Sandzak, ties with Alija Izetbegovic, the perennial sources of conflict with Serbs, sources of weapons for Muslims and Serbs, etc.

The motivation for our interview with Dr. Sulejman Ugljanin, the chairman of the SDA [Party of Democratic Action] for Serbia, was the report—accompanied by contradictory commentary in the media, depending on their national and political provenance—on the founding of a Muslim National Council for Sandzak, which according to Ugljanin, one of the initiators of its founding, was established "to be used if necessary," but also as a better political antipode to Milosevic's Greater Serbian Odyssey, in which the mythological role of the wicked Trojans has lately been imputed more and more to the Sandzak Muslims, in addition to the Albanians and Croats. Believing that Sandzak, leaving aside historical arguments, also has a corresponding economic need and justification for realizing some sort of autonomy, either partial or full—depending on the further course of events in the overall Yugoslav territory—Mr. Ugljanin emphasizes that Sandzak residents, and Muslims in general, are resolute in their efforts to see to it that in some third Yugoslavia, or outside it, they will not be encroached upon and cheated in any way and by anyone, "which has, unfortunately, often been the case in the past."

[Mehulic] In a relatively short period of time, you have managed to internationalize the problem of the Sandzak Muslims, and during your recent visit to the United States you were received at the State Department by Senators Dole and Helms. What did you talk to them about, and what do they think about your positions and stances?

[Ugljanin] Yes, we met not only with them but also with some other American politicians. I was surprised by the amount of attention and time that they devoted to our problems. We explained to them the entire situation in Sandzak, the problems that we are facing, and we found a great deal of understanding, or at least that was my opinion. There was not one case where it can be said that

the Americans are unaware of the nature of our (Yugoslav) problems, but also of the specifically Serbian problems in connection with minorities. This is obvious from the adoption of the amendment on selective aid. The thinking is that in this civilized context, even in the Balkans, which are what they are—a potential European Lebanon—nothing can be resolved by force, by pressure tactics, depriving people of their rights, and permanent spiritual and physical oppression. It would be much better if both the European countries and the United States would define their official positions towards Yugoslavia more clearly, since this Serbian government still enjoys legitimacy for what it is doing in Kosovo, in Knin, and in Sandzak.

[Mehulic] What sorts of parallels could you draw between the Serbian National Council in Bosnia and Croatia and the Muslim National Council in Sandzak?

[Ugljanin] None whatsoever. These are apples and oranges, and you can't add them, divide them, or compare them. What exists in Bosnia, to say nothing of Croatia, is the fruit of Milosevic's memorandum policy, which does not yield to anything, including arguments. They are setting themselves up as know-it-alls, they want to know everything about everyone, and that won't wash, at least as far as we are concerned. It is absurd that in Serbia the communists are almost openly in a coalition with the Chetniks; Seselj is Milosevic's protege, which is obvious to any reasonable person. But I will tell you this much: Seselj will never, I repeat never, go to Novi Pazar! The Chetniks inflicted so much injury on the people there during the last war that they would possibly be torn apart limb from limb if they were to show up with their cockades and beards. I would like for Seselj to stand in front of me and try to insult Muslims! That would be the end of him! You can't talk to people who wear a knife on their belt in any other way than their way—through violence. We are no longer disorganized and we know how to defend ourselves, and if we do not know how, if we do not have the means, if we do not have the weapons that they have—and trucks from "Red Flag" are bringing weapons to every Serbian village in Sandzak openly, in broad daylight—then we will acquire them quickly. As far as Knin is concerned, that must come to naught! Those people are a handful of terrorists, a bunch of misfits whom the police could disperse in a couple of days if they wanted to, and who are threatening even the Serbs who are not with them, as well as all others.

[Mehulic] You're saying that the Muslims have no weapons?

[Ugljanin] No, they don't. Those that we had, and which were legally reported and registered, were collected and redistributed in front of our very eyes—by the Serbs. They say in the newspapers that we have tanks, howitzers, and who knows what else, but this is an outright lie. But if we need them, and all indications are that we will, then we will even get airplanes if necessary. No one will ever massacre anyone else in Sandzak again, and the stories that they are telling will be contradicted by the

police, the specialists, and the state of emergency. We will declare a state of emergency if we deem this necessary. For now, we are peaceful, the founding of the Muslim National Council is simply a warning, for now it is not functioning in any militant sense whatsoever, but it will indeed undertake that role the minute we consider it necessary. So you don't prove me a liar—we do have some weapons, but they are mostly collector's pieces, a few pistols, nothing significant. Nor are weapons important; we are ready to defend ourselves empty-handed, with pitchforks and axes, which we are adept at handling in the event of violence.

[Mehulic] When you talk about Serbs, do you mean the Serbian government or Serbs in general?

[Ugljanin] We are the opposition to both the Serbian government and the Serbian opposition. What's the difference between Milosevic, Seselj, Draskovic, and Paroski? Nothing! One of them says that he would cut off any hand carrying a flag other than the Serbian one, that Muslims do not exist, but instead are all Serbs of some sort of Muslim faith, another of them talks about all Serbs everywhere living in one state, another of them would murder, and another has already engaged in murder in Croatia, as he himself says—so who could we talk to here? In the parliament, they insult us, make fun of us, our three representatives are not allowed to say anything and if they do they are met with hostility, if not ridicule. They would like to treat us—and they are doing so—like slaves, as being lower than them, only their interests are important, only they know everything. They do not acknowledge that the Albanians and the Muslims could be something different and better than what they let us be. With them there is no discussion—only silence and listening. We will not be and do not want to be anyone's slaves, blindly carrying out the orders of those who regard themselves as smarter, better, and stronger. They are not smarter, because we too have smart people, intellectuals, even though they withhold education from us in various ways. Whether they are better—you can see how good they are in Kosovo—and whether they are stronger—well, that remains to be seen! Neither I nor anyone else is afraid of them, which is apparently not clear to them. It is only through violence that anything will be achieved, but once you've been burned in this way you only have to wonder where it came from. In the schools, in the textbooks, there are no Muslims anywhere, and where they do appear they are always evil, people who steal and plunder. In all the school readers there is only one mention of an Orhan, and that is in a negative context. In contrast, they force us to learn about St. Sava. For us, the only enlightener is Rastko Nemanjic, definitely not St. Sava. Our children will not learn about St. Sava, we have enough holy figures of our own, and why should we be proselytized about this in the schools? We know where St. Sava's place is.

[Mehulic] What sort of treatment do Muslim students get in Belgrade and at other universities in Serbia?

[Ugljanin] Poor treatment. And things are getting worse every day, not only for students, but for all Muslims in Belgrade and Serbia. They are insulted, encroached upon, it is harder for them to achieve their rights, they are banished if they go to mosque, they are provoked in society, so that more and more of our boys and girls are going to Bosnia or Croatia for their schooling. Or staying home, which is also sad and a type of threat. Only more subtle and seemingly imperceptible.

[Mehulic] In recent announcements by the SDA for Sandzak, the public has been warned that significant forces of special units of the MUP [Ministry for Internal Affairs] of Serbia are being stationed around Novi Pazar. Although you sent a protest to the Presidency of Serbia, there has been no official denial, response, or explanation. Is this the usual practice, or is this possibly due to carelessness or a coincidence?

[Ugljanin] We have spoken out, issued warnings, and sent a protest, but we have not received any response whatsoever, just as they have never responded to us in the past. Perhaps they regard us as unworthy of dialogue. When we saw how things stand, how everything that we say falls on deaf ears, we decided to organize—and that's exactly what we did. No one can come into or leave Novi Pazar unobserved. Even before, the people were organized by village so that someone was always on the alert, ready to sound the alarm to others in the event that the specialists invaded the village, but now things are different. Now, a small group of unarmed young people goes on patrol every evening, observing who is going where. All indications are that Serbia will attempt to impose a state of emergency on Sandzak and settle matters in their recognizable manner, based on the Kosovo principle. Major movement by police forces has been observed in the territory of Sandzak, military forces have been pulled in, so that all indications are that there will be war in Sandzak! The Serbs say that they have always won in war but lost in peace. Well, they will definitely not win this war. If they think that they can do in Sandzak what they are doing in Bosnia and Croatia, they are seriously mistaken.

[Mehulic] In your opinion, the ruling coalition of national parties in Bosnia-Herzegovina is not the best solution in terms of realizing Bosnian state and territorial sovereignty?

[Ugljanin] How could it be? The Serbs control a major share of the government, and they are taking advantage of this to break up Bosnia. You can see for yourself what they are doing. The minister who was beaten up, the one who says that the Muslims are the Serbs' greatest enemies—he didn't deserve any better! How can someone like that be a minister? Especially in Bosnia. They have yet to distance themselves from Seselj, they are holding rallies all over Bosnia and spitting on everything Muslim and Croatian. Maybe they can do that there, but they certainly can't do it here.



[Mehulic] Recently, you were supposed to be a guest at a Sarajevo television studio, for the show "The Art of Living," which was not aired for well-known reasons, and where besides you, the chairman of the Radical Party of Serbia, Vojislav Seselj, was also invited. Despite the well-known and proclaimed positions, you confirmed that you would appear on the show, so that in this way, if it had come to pass, you would have come face to face with the leader of the Chetnik movement. What would this meeting have been like?

[Ugljanin] First of all, I want to talk to anyone with a different opinion. If Seselj would not insult me, if he would not insult my people—which he has never failed to do thus far—everything would be OK. However, if any of that were to happen, not only in front of the cameras, but also anywhere in my presence, I would send him to the hospital. I am not some bully, but with me around, so help me God, he would not be able to finish singing his Chetnik song!

[Mehulic] The newly formed Muslim Youth Alliance, in a not exactly civilized manner, prevented Seselj from taking part in the broadcast, and in this way this tendentious project fell through. Under the roof of the Islamic Cultural Center in the Zagreb mosque complex, the Alliance recently held a sort of promotion on the Yugoslav level, during which you addressed them with a statement of support. Will you tell us a little about the reasons that this organization was founded, and about its activities and goals?

[Ugljanin] The goal of the Muslim Youth Alliance of Yugoslavia is to affirm Muslim culture and the Muslim legacy in this region, in a way that has never been done in the past, because through all the structures we have always been prevented from showing and presenting ourselves. An affirmation of both religion and literature, of the Islamic spirit and tradition, and most importantly through young people. Young, intelligent, and highly educated Muslims are involved in the organization's work, people who will know better than us old-timers how to secure a place in the sun for their people and for themselves. Some day, these young people will lead the Muslim nation, I hope much better than we old-timers are doing. Certain non-European attributes are continually imposed on Muslims, some sort of Asiatic character, but Muslims have been here in Europe for just as long as, and perhaps even longer than some other Slavic nations. Even today, there is evidence in some places on the Adriatic indicating that Muslims were here many, many centuries ago. This initiative must succeed.

[Mehulic] There are significant enclaves of the Muslim nation living in Kosovo as well. Since you are the chairman of the SDA for Serbia, your involvement and responsibilities do not end in Sandzak; rather, you are obligated to represent the interests of Kosovo Muslims as well. Related to this, you have been informed of a series of—and given the specifics of the Kosovo situation, conditionally speaking, more radical—demands in the sense of achieving the fundamental human rights

that have been curtailed and in which the Kosovo Muslims share the fate of the Albanians. Will you be able to provide them with adequate political representation through a joint function?

[Ugljanin] Muslims in other areas are in a somewhat better situation, while the Kosovo Muslims do not have newspapers or cultural societies because the label of separatism is attached to them, so that they avoid those forms of organization, and it can be said that they do in fact share the difficult fate of the Albanians. There are more than 120,000 Muslims living in Kosovo, whom old Yugoslavia, and later Rankovic, sent into exile there. For years, the Serbs have continually resettled Muslims from Sandzak to Kosovo, and they do not behave any differently towards those who are there now than they do towards the Albanians. The Albanians are a type of people who do not want to settle matters with guns, but we will certainly use guns if necessary. We are all the same to them, to them everything is Islam, fundamentalism, the green transversal. This policy is incredible, with such intolerance—worse than apartheid. The Chetnik knife will never again spill Muslim blood anywhere in Sandzak, nor in Kosovo.

[Mehulic] How are relations between indigenous Serbs and Muslims in Sandzak?

[Ugljanin] Getting worse and worse. People who were friends yesterday are turning away from each other. Horrible scenes are taking place in mixed marriages—although there are few of them—and in enterprises the two groups are lining up against each other. I used to have Serbian friends, or I thought I did, but now, ever since I've started this job, they have all turned their backs on me. That's the way it is. I can't be friends with someone who has two submachine guns in his house—and I know that they have them—and who could shoot at me tomorrow. If you ask someone why they have weapons, they say "for self-defense." But you don't keep submachine guns for self-defense! There are no longer any bums on the streets, nor children, they are all sitting at home by the television or radio waiting for news.

[Mehulic] In the event that Yugoslavia falls apart, what will be the political status of Sandzak?

[Ugljanin] In the event that Yugoslavia falls apart, our position is clear, and we will not retreat from it. At the very least, Sandzak would be an autonomous region, just like it was until 29 March 1945, and this could happen even sooner—if some sort of new autonomous region is created, then we will automatically declare Sandzak to be that as well. I have no reason to hide the fact that our ultimate goal is republic status! I think that we have the necessary conditions for this sort of thing, and the attitude of the people is also such that I think that in a referendum everyone would vote for Sandzak independence. Sandzak has always enjoyed some sort of autonomy, ever since it has been in existence, but today it has none whatsoever. Even after the annexation of Bosnia-Herzegovina in 1878, Sandzak was granted

autonomy. It had autonomy before that as well, despite the fact that armies passed through it, and for hundreds of years it was renowned as a commercial hub, only to have all traces of autonomy suspended after the war by the communists, who divided Sandzak into two parts, giving one part to each of their "favorites," and in this way tricking all the young people who, fighting for Sandzak and cherishing it, perished all over Yugoslavia in Partisan units. For 50 years we have been taught a fabricated version of history in our schools, all of which was falsified, and there was never any mention of the centuries of a free Sandzak.

[Mehulic] Do you think that you would be able, under the certain cataclysmic circumstances involved with the general collapse of Yugoslavia, to create a complex state apparatus that would function while the fires of war are raging all around you, even if you were spared from it, which under the circumstances is not very likely?

[Ugljanin] The truth is that we in Sandzak would be the first to bear the brunt if it should come to war, but that we could and can have a state as far as our economic and human potential is concerned—there is absolutely no doubt about that! This is one of the complexes that are continually imposed on Muslims, that they cannot do something, that they are not capable of anything, that they cannot do anything by themselves. At the moment, we are not receiving any subsidies from the state of Serbia, there are no development funds, but no one is going hungry in Sandzak, no one is barefoot! All of this is because of the self-organization of our nation, we are extremely homogeneous, our private businessmen are already employing 5,000 people, and several more thousand are in the black in their businesses, while our tax assessments are the highest in Yugoslavia! From 10 to 50 percent higher than elsewhere in Serbia, and still we are surviving and are liquid. Even now, under conditions of state terrorism and social crises in Yugoslavia, we have provided for everyone who is unable to work, and you must admit that that is no small achievement. You know, they never taught us in school that we too are worthy people, equal to all other nations. The Serbs were depicted as heroes, and we as servants, thieves, and apostates. Our real option is to struggle and realize those rights enjoyed by the Burgenland Croats and the Italians in Switzerland. If they do not create problems for us in this regard, it is possible that we could remain in some sort of rickety Serbia. Given the situation today, this is out of the question! The Muslims are a fine, peaceful people as long as you don't mess with them, and they can also put up with a lot, but when you push them too far you had better look out. A Muslim youth was recently killed in Bijelo Polje, and the perpetrator was not found. If we go looking for him and find him, his own mother won't be able to recognize him! All that is needed is the slightest provocation for the Muslim National Council, which is currently idle, to declare a state of emergency and close the borders of Sandzak, so just you wait and see!

[Mehulic] How are relations between the SDA for Sandzak and the mother party in Sarajevo? Do you have their support in connection with your insistence on Sandzak independence, and how does this manifest itself?

[Ugljanin] Well, relations are excellent, we cooperate on all questions, but they are in an awkward position in that they cannot support us to the extent that is necessary and as much as they would like, because this would immediately be characterized as intervention in the internal affairs of another state, and we do not want that. Their support in principle is adequate, and I think that no other support would be withheld under specific circumstances. You know, it is one thing to be a Muslim in Bosnia and another thing to be a Muslim in Sandzak. Here it is dangerous, and there it is nothing special. They are aware of our entire situation, and they know what we stand behind and what demands we have emphasized, but in no sense are they directing us. Everything that has been written in newspapers in Serbia, primarily in POLITIKA, about how Alija Izetbegovic is creating a state of Muslims which would include both Sandzak and Kosovo in addition to Bosnia is a vulgar lie! They do not allow us to talk about our problems; instead, this is done by their "experts."

[Mehulic] Mr. Ugljanin, you are one more in a series of national leaders, doctors by profession, who have recently entered politics. Can you explain this "clinical" phenomenon? What were the motives for your political commitment?

[Ugljanin] I entered politics when I realized that it is necessary that each of us help as much as possible, to give as much as we can for the emancipation of our own people. I will not stay in politics any longer than the objective circumstances dictate.

#### Seselj's Goals as Assembly Deputy Discussed

91BA0808A Belgrade POLITIKA in Serbo-Croatian  
6 Jun 91 p 10

[Article by Z. Suvakovic: "Dr. Vojislav Seselj: We Have No One Against Whom To Wage War"]

[Text] Vojvoda [field commander] Seselj arrived half an hour late for the meeting arranged in the "Russian Tsar," but he threatened several of his aides with "summary Chetnik judgment" if they informed the POLITIKA reporter of this tardiness. However, without any hesitation at all he answered the very first question: What would you advocate if you were elected people's deputy as a candidate of your party for Rakovica?

"Realization of the program of the Serbian Radical Party [SRS], revival of the independent and free Serbian state, which would encompass all the Serbian lands. Yugoslavia is finished once and for all, and there are two possibilities: either it will fall apart into three states—an expanded Serbia, a small Slovenia, and a still smaller Croatia, or a revival of Serbo-Italian friendship along the

lines of the provisions of the 1915 London Treaty would establish the Serbo-Italian border along the lines of Karlobag, Ogulin, Karlovac, and Virovitica."

How would that be brought about—by war?

"We have no one against whom to wage war. What has been done by decree will also be undone by decree. In any case, we as a party sent a demand to the Serbian regime two months ago for it to immediately recall all Serbian representatives from federal bodies, to abolish those bodies and authority, to call upon the General Staff of the YPA [Yugoslav People's Army] to accept the full powers of the Serbian state and rename itself the Serbian Army. Then officers of Croat, Slovene, and Skipetar nationality would be discharged, and the order would be given for the troops to withdraw to the line of Karlobag, Ogulin, Karlovac, and Virovitica."

Then, according to Dr. Vojislav Seselj, a council of Serbian national salvation would be founded and would include representatives of all the democratic parties represented in the assemblies of Serbia and Montenegro and representatives of the Serbian people from Macedonia, Bosnia-Herzegovina, Srpska Krajina, Slavonia, Baranja, and western Srem, and it, as the field commander would have it, would schedule elections by the end of the year for a constitutional assembly that would decide on the state's name and system of government.

If the attempt with the YPA proved to be illusory, Seselj feels that only then should the Serbian army be established "which could be formed in 48 hours."

But when it comes to the economic problems of workers in Rakovica, according to Seselj, the police and the opposition have failed, exhausting themselves in "fruitless political and ideological discussions" and avoiding the economic topic "with which neither one nor the other are familiar."

According to Seselj, it is difficult to achieve democracy when there is no state, but again "today there is greater freedom of speech, opinion, and behavior" than ever in the postwar period. Nevertheless, going back to the elections in Rakovica, I feel that the election should go to the one "whom the people elects" and "whose program conforms to the will of the people."

And in his assessment, the Serbian Radical Party and the Serbian Chetnik Movement (a collective movement of the SRS) are experiencing a large and steady growth and even now are "certainly the strongest opposition."

#### **Jovic on Impossibility of Independent Croatia**

91BA0815A Belgrade POLITIKA in Serbo-Croatian  
7 Jun 91 p 16

[Interview with Dr. Borisav Jovic, member of the Federal Presidency, by S. Kljadic; place and date not given: "Who Is To Blame for the Divorce"]

[Text] [Kljadic] No state in the world has ever been created or disintegrated following democratic elections. Everywhere this occurs following a bloody war!

[Jovic] Democratic elections are neither the occasion nor the reason for those developments. For all practical purposes, Yugoslavia was called into question back in the 1960's and 1970's, and finally with enactment of the 1974 Constitution which established the possibility of its disintegration at literally any moment. A time bomb for breaking up Yugoslavia was built into that notorious Constitution, especially the possibility was for all practical purposes left open for any republic to remain in the common state or leave it without any consequences. That idea existed even earlier, but it was reserved for a particular moment, when it was relevant. All the conditions were brought about whereby the republics could in practice realize their goal of leaving Yugoslavia and no one could do anything about it. It was only a question of time and method.

So-called democratic elections have been one of the important auxiliary means, because through them it was possible to achieve the breakup of the single party, which in our system was in practice the custodian of Yugoslavia because without that party the Constitution could not function. Creation of the image before the world that this is a question of democracy and not separatism has helped bring about the situation where from the outset the world has tacitly concurred in what has been happening in Yugoslavia. In essence, it is a question of a policy with deep roots planted in all the leaderships and all the parties, and unfortunately in the consciousness of the citizens.

#### **Separation of the Peoples Would Be Difficult**

[Kljadic] Tudjman is now in a situation of making a truly independent Croatian state for the first time, and President Milosevic, trying to bring all the Serbs together in one state, faces the same challenge.

[Jovic] Serbia has never desired to create one Serbian state for the entire Serbian people, but has clearly defined that in resolving the Yugoslav crisis it desires a Yugoslavia at least large enough to encompass the entire Serbian people. If the existing state should be divided, it desires that that division not divide the entire Serbian people...not that it should be Serbia. This is not a demand which is unfeasible: That is what we have had up to now, we have had and still have a state in which the entire Serbian people live. That is why we wanted the Yugoslav state not to be broken up so that large segments of the Serbian people, here we are talking about a third of the Serbian people, would become ethnic minorities in foreign states. Especially in states in which their security, their future, would not be likely in view of disturbing historical memories which have not disappeared from people's minds. It is impossible to achieve an independent Croatian state that would include the Serbian people, which have absolutely no confidence in that state. And the separation of the Serbian and Croatian

peoples would be very difficult because of the ethnic intermixing. It would, of course, be an illusion of the same kind to attempt to create an expanded Serbian state in those areas that would encompass all Serbs.

[Kljadic] You were attacked at one time for having submitted your resignation after the attempt at a military coup failed. In a hasty meeting held in the White Palace, some members of the Presidency were so frightened they asked if they had been arrested.

[Jovic] It was not held in the White Palace, but in the offices of the Yugoslav People's Army [YPA], and that was because all the plans, maps, and all the documents used in the conversation were there, so that it was far more practical for technical reasons. As for the fear of arrests, that is plain nonsense. Perhaps certain members of the Presidency have a personal fear for themselves because they themselves are convinced that they are conducting a policy which is not in the interests of Yugoslavia. That is their affair. However, there is no question of anyone just being arrested.

And as for the military coup, and this term is being constantly used in order to compromise yet another institution which represents a kind of backbone of Yugoslavia—the Yugoslav People's Army—both within the country and abroad, and to plant in the mind of the people who have the idea that they should flee Yugoslavia the false impression that there is someone who wants to occupy it and its leadership. This is a deliberate intrigue, which has achieved a part of that entire undertaking by strengthening the alibi for leaving Yugoslavia.

#### **"I Cannot Stand Bosses"**

[Kljadic] When you were elected president of the SPS [Socialist Party of Serbia], many people were ready to send you condolences. However, you immediately threatened in rather harsh terms that no new elections came into consideration, and on the other hand, again a bit self-pityingly, you said that today, when the historical battle is being waged for the future of Serbia, you expected more understanding from the Serbian opposition, if not outright support.

[Jovic] I said that it would be logical in this situation of crucial turning points for the country and for the republic that we not have conflicts with the opposition on the key issues of the interests of the republic in view of the fact that we have common national interests. But that because of the aggressiveness of the parties and the desire to take power at any price those things could be expected. It is natural that we cannot be ready to hold elections at every moment until the opposition ultimately wins them.

[Kljadic] Malicious people frequently ask how you feel as a toy in the hands of Slobodan Milosevic?

[Jovic] I think that you put it right when you said that they are nothing more or less than malicious.

[Kljadic] You are probably the only person who has dared to oppose Slobodan Milosevic in anything and to point out certain mistakes and oversights to him.

[Jovic] Now that is the opposite of what you just said. So which is right, the one or the other?

There have been many conflicting reports, but we do the best we can. I would never work in a situation where I had a boss. My whole life I have worked in such a way that I cannot put up with bosses, nor can I stand being anyone's boss. We can work only on an equal footing and with arguments. That also applies to Slobodan. It could never happen that only one person is always right. But always one decision has to be adopted.

#### **Slovene Government Crisis Reviewed**

91BA0813A Zagreb VJESNIK in Serbo-Croatian  
9 Jun 91 p 3

[Article by Stane Pucko, Ljubljana: "Peterle: Rupel Plunged a Knife Into My Ribs"]

[Text] Rupel plunged a knife into my ribs, Slovenian prime minister Lojze Peterle declared, and departed on an official visit to Italy. The conflict between the foreign minister and Dr. Dimitrije Rupel, president of the Slovenian Democrats, on the one hand, and the prime minister and leader of the Christian Democrats on the other, is, then, coming to a head. Peterle has obviously decided to accept out in public this fight which was started on Friday by the Democrat leadership with its direct attack on Peterle because of the government's poor economic policy in the process of independence. This was done in connection with the speech to parliament by Dusan Sesok, finance minister, in which he publicly declared that there was no money for Slovenia's effective independence.

#### **The Minister With Two Left Feet**

Judging by Peterle's reactions, Sesok did not, after all, speak in parliament with the prime minister's blessing. Peterle referred to his new minister as someone with two left feet who did not choose the right moment to make his appearance before the deputies. Sesok was obviously presenting data which the government wished at present to keep in its own safe, and his openness won him recognition in the ranks of the government and the opposition. If Sesok actually did go before the deputies on his own responsibility, then it is clear that he actually wanted to tell the public what Dr. Rupel said at one time, but without backing up the position with details. That is, that Slovenia will depart from Yugoslavia naked and barefoot. He also obviously wanted to make it known in advance that he is not to be blamed for all the economic and financial quandaries and difficulties of independence either now or in the future.

If that is the case, Peterle will probably pay Sesok back, and in that case the Rupel-Peterle conflict would take on a broader dimension. At this point it is also clear that

Drs. Mencinger and Kranjec, the deputy prime minister for the economy and the finance minister, when they left the Peterle cabinet did not give the real reasons for their resignations, nor did Peterle make them public. Dr. Andrej Ocvirk also likes to talk in code, while Sesok is obviously different.

### Let Them Go

After Rupel threatened that the Democrats would think over further cooperation in the government, Peterle coolly declared that they could leave if they wanted and that the government would carry out the independence process. Peterle, then, is quite certain that a democratic putsch could not cause a crisis or fall of his cabinet. Rupel, to be sure, did explain that his criticism was meant affirmatively, but it is a question whether that also applied to Peterle. After Peterle's reaction it is obvious that in their public criticism of the government and the prime minister the Democrats were not thinking only of a folkloric addition to the political scene. From the standpoint of strengthening their representation in the government, however, their attack on Peterle is illogical, because they cannot count on taking over the prime minister's post, because they already hold more portfolios in the government than they are entitled to on the basis of their numerical strength in the Demos coalition.

### Rupel-Jansa-Bavcar

Peterle, to be sure, doubted that Rupel's criticism was the position of the Democratic Party, but Rupel immediately replied that Peterle should not be worrying about a party other than his own. The criticism of the government by the Democrats, which was signed by Rupel, certainly was not made public without consent of the party's main leaders, among them Janez Jansa, defense minister, Igor Bavcar, police minister, and Spomenka Hribar, president of the All-Slovenian Congress.

Accordingly, Peterle has a very strong ministerial and national bloc against him now. All three Ministries—Foreign, Internal Affairs, and Defense—certainly have reasons for concern because of the bad financial situation in the republic, because it directly threatens their ambitions for development, which in the context of independence are certainly not small. It will soon become evident whether those ambitions are obstructed by Peterle personally, whose linkage to the peasants laymen Democrats is also seen as a danger of Slovenia's clericalization. The two important economic ministers and the information minister have already registered as victims of independence. Who will be the next one—Peterle or the Rupel-Bavcar-Jansa bloc?

### Sesok Speech, Laws Adopted in Slovene Assembly 91BA0820A Ljubljana DELO in Slovene 6 Jun 91 p 4

[Article by Alenka Brezovnik and Dejan Kovac: "The Minister Shocked the Deputies"]

[Text] Ljubljana, 6 Jun—When the the session of the Slovene Assembly which is discussing the package of independence laws resumed work, Finance Minister Dusan Sesok delivered an opening speech yesterday to all three chambers. He also emphasized other things in his individual speeches to the deputies, to be sure, but the basis of his presentation was that with respect to independence, it was necessary to start distinguishing normative independence from effective independence. Everything that the government and the Assembly are doing now is normative independence, which is the basis and opportunity for Slovenia to become independent in the future. Sesok cited several examples: There will certainly not be a border with Croatia on 27 June, we will also travel abroad after that date with Yugoslav passports, the Army will probably be on Slovene territory for another two to three years, etc. He emphasized that we would finally obtain effective recognition only when our banks and our central bank were recognized, and one of the most vital things was resolved: the balance sheet to be divided up within the framework of the present Yugoslavia, which would be one of the most difficult ordeals, in which it was difficult to predict the outcome in advance.

Effective monetary sovereignty would certainly be represented by a new currency, Dusan Sesok stated. Money has been prepared, about which everyone already knows something, but it is a substitute for money that had several shortcomings and as such was not suitable for issue. It does not have a name, and the issuer is the Executive Council, which is not normal, since it should have been the central bank. It carries the signature of the former finance minister (which is possibly the least of the problems), and technically, it can be counterfeited. That means that it is printed on paper that is not the best. It is also important that this money does not have any backing, or at least not a real backing in the form of foreign exchange reserves, because Slovenia does not have any foreign exchange reserves. Some foreign exchange funds that business banks have deposited in accounts at foreign banks, of course, are the funds those banks need to be able to operate abroad. According to Sesok, there are several reasons why that substitute money will not be put to use upon independence, although that decision personally disappointed him most of all, because he thinks that there cannot be any real effective sovereignty or independence if that sector is not taken into account and appropriately resolved.

When he talked about the project for real money, preparation of which has already started, he estimated that 10 to 12 months would be needed for this. "I think that it is very important that we not come forward with some currency at a time of great political and economic instability, even if those bank notes are of high quality, because we simply cannot afford to have the first money issued by the Republic of Slovenia caught up in inflation, devaluation, and all the mechanisms that we have seen with the dinar. It could even happen that this currency of ours would not be exchanged in Trieste or Celovec, for

instance, but they would exchange the dinar; and I think that this would be very bad for Slovenia's image as a state," Dusan Sesok stated. He added that by the end of the year we should already have ensured a lower volume of foreign exchange reserves, and credit arrangements, probably with one of the neutral states, would be necessary as a basis for issuing the new currency. He also stated that as far as the currency is concerned, in his opinion it is the last thing regarding which we should become independent. First the central bank has to be recognized, and international institutions like the International Monetary Fund and the World Bank, or the Bank for Reconstruction and Development have to recognize us. We have to conclude trade agreements with other states, and we have to agree on transportation agreements. He stated that Slovenia had about 2,000 bilateral and multilateral agreements, and that it was necessary to put together that whole mosaic, so that in the final phase we could also separate ourselves from the existing system with respect to currency. Temporarily retaining the dinar is bad, because we know that it is being printed at an accelerated pace, but at this time, between two solutions that are not the best, the one that has been proposed is the one that is the least of two evils. He also wondered what possible steps could be taken against Slovenia in the monetary area by Yugoslavia and the world. In his opinion, the National Bank of Yugoslavia can freeze the deposits of our business banks, and foreign creditors (this is a slight possibility, but the deputies have to be warned of this) could institute collective responsibility for all the loans received by Yugoslavia, and there could be confiscations of what Slovenia has abroad. In this regard, Sesok said that certain talks had been held with foreign institutions recently, and that on Friday the president of the World Bank was coming to Ljubljana; these, however, are for now only verbal assurances, and in this respect it is clear that there will not be any written ones until things develop to that extent. When he spoke of recognition by international institutions, he said that the IMF procedure itself took six months, and that it was impossible to join the banking institutions without the consent of the United States, which has 43 percent of the votes in the IMF and 45 percent of the votes in the World Bank; along with all this, ratification by the U.S. Congress is also required for such recognition.

Continuing, Sesok did not question the necessity of normative independence, among other things because in the World Bank we have fallen, along with Yugoslavia, into the lowest group, together with Albania, Bulgaria, and Romania. The same thing also applies to all the other international organizations, which are pushing us into the lowest categories; we have to take a step out of them. He expressed his conviction that Europe and the world would accept us appropriately, of course not without difficulties, including major economic ones. "I expect at least two years of poorer results, as we have now, and the standard of living will also fall correspondingly. Those who think that this will not happen are

deluding themselves, and I personally will be very satisfied if we achieve some small progress and take a step upward after a certain period," Dusan Sesok emphasized.

In conclusion, he talked about citizens' foreign exchange deposits, regarding which he stated that Yugoslavia's foreign exchange reserves were melting away at the speed of light, and that it was completely clear that the federation was no longer capable of ensuring the servicing of deposits. Currently there is \$1.1 billion in Slovenia, in addition to approximately \$700 million in deposits that citizens of other republics (Croatia, Bosnia-Herzegovina, and Macedonia) have in branches of Ljubljanska Banka, and which will be part of the balance to be divided. "Slovenia," Sesok asserted, "will take over those deposits, and there cannot be any doubt about that, because there are no foreign exchange reserves; I am counting on depositors' understanding for a gradual solution. We are preparing proposals to solve that problem, but it is clear that confidence can be lost very quickly, but regained slowly, even taking several generations."

Joze Smole took the floor in the sociopolitical chamber immediately after Sesok's opening speech, and said that the finance minister had given a very honest and realistic assessment, and that someone had said that these were sobering minutes. He asked Dusan Sesok to give an authoritative answer as to whether what he had said was also the opinion of the Executive Council, and the finance minister replied in the affirmative. In the chamber of associated labor, the finance minister's speech elicited stormy reactions, since these views were naturally a shock to many people in comparison with the government's previous statements on the economic problems associated with independence. A resolution was passed that the government, on the basis of the scenarios already prepared for independence, should report at that same session of the Assembly on what effective degree of independence Slovenia could achieve as of 26 June 1991.

After several hours of adopting, or rather rejecting numerous amendments, the deputies nevertheless managed to "put to bed" a package of laws associated with citizens of the Republic of Slovenia which would begin to be applied after independence.

With the law on citizenship, concerning which there was the most discussion, both of the draft and the proposal, finally the Executive Council and Demos both yielded a little. Thus the contents of the "Statement of Intentions" prevailed. According to the law, therefore, a citizen who had registered permanent residence in the Republic of Slovenia on the day of the plebiscite on the independence and autonomy of the Republic of Slovenia, on 23 December 1990, and also actually lives here, would acquire citizenship in the Republic of Slovenia if he submits an application within six months to the administrative body responsible for internal affairs of the opstina where he has his permanent residence. Those

who do not apply for citizenship in half a year after the law goes into effect, however, and want to have it later, and those who have just moved to Slovenia and want to have citizenship, will have to meet the conditions set in article 10 of the law. It says that those people will actually have to live in Slovenia for 10 years, including five continuous years before submission of the application for citizenship.

The deputies also adopted an amendment to the law on travel documents for citizens of the Republic of Slovenia, according to which all deputies will have diplomatic passports.

[Box, p 4]

#### Chamber of Associated Labor Rejected the Law

Yesterday the Chamber of Associated Labor again began to discuss the inclusion on the agenda of the so-called Sesok tax on above-average personal incomes. The government has not found suitable answers to the numerous criticisms and amendments that were already stated in that chamber on Monday. Also unsuccessful were the assurances from government representatives that the law did not have any sort of fiscal intentions, that it would solve the increasingly more urgent problem of surplus workers, and that it affected primarily those organizations (including banks and insurers) which were collecting extra profits in these times, which would be redirected into investment activity. The Chamber again rejected the law, and demanded that at the next session, next Wednesday, the government come before the deputies with a new wording for the law that would take into account all the criticisms from Monday's and yesterday's discussions.

[Box, p 4]

#### Suggestions and Questions

The Liberal Democratic Party's club of deputies, in their delegate question, warned that the law on institutes lacked effective control mechanisms. "The announcement and request for cooperation from the Demos majority (published yesterday in NEODVISNI DNEVNIK) is the point over which any sort of democracy in Slovenia will stand or fall. If the Executive Council and the Republic Assembly do not take a position on this, we have entered a period of primitive segregation. "It is not important," the suggestion says, among other things, "whether an expert or a dilettante applies instead of a manager or director of an institute. It is important that he is our man, and that he is part of our information system. If we want Slovenia to be destroyed and razed to the ground, then we just have to continue along this path. All the incompetent, frustrated, obsessed, embittered, and cuckolded people will join our side," the Liberal Democrats say. If the Executive Council and the ruling coalition in the Republic Assembly want to preserve minimal credibility, they have to state their position on the majority scandal. Slovene sovereignty built on such starting points would

mean a very close approach to complete catastrophe. A similar question was also raised by Franci Pivec (SDP [Party of Democratic Reform]).

Dusan Semolic (SSS [Socialist Party of Slovenia]) asked the Executive Council whether it even knew about the kidney patient emergency (DNEVNIK has already published an appeal and the names of the patients in the most danger), and what it intended to do to eliminate the problems that had arisen as soon as possible.

The directors of centers for social work warned that soon there will be 180,000 children in Slovenia who will be entitled to public assistance. Sonja Lokar (SDP) asked what the Assembly intended to do.

Marina Pozsonec, a deputy of Hungarian nationality, proposed that the Secretariat for Traffic and Transportation conduct an analysis of the expenses of planning the construction of railroads linking Slovenia and Hungary along all three routes.

[Box, p 4]

#### Adopted

- a law on the customs service;
- a law on citizenship in the Republic of Slovenia;
- a law on foreigners;
- a law on travel documents for citizens of the Republic of Slovenia;
- a law on control of the state border;
- a law on changes and additions to the law on the safety of highway transportation;
- a law on foreign affairs;
- a law on the Bank of Slovenia;
- a law on the Slovene Republic Agency for Insuring Banks and Savings Banks;
- a law on banks and savings banks;
- a law on foreign exchange transactions;
- a law on foreign credit transactions;
- a law on the preliminary financial rehabilitation, financial rehabilitation, bankruptcy, and liquidation of banks and savings banks.

#### Durakovic on Threat to Bosnian Citizens

91BA0823A Split SLOBODNA DALMACIJA  
in Serbo-Croatian 8 Jun 91 pp 10-11

[Interview with Bosnia-Herzegovina Socialist-Democratic Party leader Dr. Nijaz Durakovic, by Goran Todorovic; place and date not given: "Bosnia's Sorrowful Comedy"—first two paragraphs are SLOBODNA DALMACIJA introduction]



[Text] The Assembly, as the supreme institution of power in BH [Bosnia-Herzegovina], is totally nonfunctional: In the six months of rule by the so-called national parties, only two laws have been enacted, concerning justice and information, and both have been overruled by the Constitutional Court of the SFRY. The multi-party government, in which there is no opposition, is putting forth a program that is not even respected by its ministers, and this is a mockery of the government. After half a century, it is not possible to travel freely across the republic without being afraid that some shepherd is going to intercept you with a "Kalashnikov...."

The nonelection of Mesic must be understood as a loss of face, because it was illusory to expect that he could lay claim to greater rights than Jovic. For this reason, I do not think that Bogicevic could be some sort of artificial shock absorber, when it is obvious that in the entire matter the scenario has been forcibly executed in order to eliminate Mesic at any price, and this says something about the idiocy of those who have done this.

[Todorovic] Your assertion that you have at your disposal reliable information concerning the scenario of a definitive dismemberment of the Yugoslav community has elicited a vehement reaction. What sources are we talking about here, and is civil war in fact inevitable?

[Durakovic] It is a common platitude to say that we are on the brink of civil war. Well, we have been in an actual state of civil war for some time now, unfortunately, and hypocrisy abounds in this regard. This is evident from the examples of the so-called Knin Krajina, Slavonia, Kosovo, etc. Thus, only this past Monday I was called to a meeting in Split, but since I was busy I suggested that my vice chairman go. If he had gone through Grahovo and Knin, which would have been the easiest way, he would have been stopped by at least 20 barricades! Naturally, it is easy to make jokes, but the very fact that you cannot travel safely is enough to argue our point. To say nothing of how in Bosnia-Herzegovina there are several hundreds of thousands of hungry people who instead of breaking bread are gathering weapons. Even the dilemma of a confederal or federal Yugoslavia has become an anachronism with regard to the fact that Slovenia has announced its definitive departure, secession, while Croatia intends to do something similar. Soberly reflecting on this, you have to say "so be it," but I am convinced that this will carry over to the already red-hot conditions in Bosnia-Herzegovina in a very significant, which is not to say lethal, way.

In our republic, unfortunately, there are completely recognizable scenarios because, for example, Mr. Karadzic runs his mouth every day. There is probably no precedent in modern political history of a politician changing his opinion and falling into contradictions every day. Nevertheless, his constant is essentially the creation of a Greater Serbia. When Babic moreover says that he wants to unite Knin Krajina and the Banja Luka

region, while working out measures for defense, information, etc., then no more proof is needed, and the uninitiated must be told that this is what we are talking about.

[Todorovic] Does this mean that in your opinion the sole culprit for this situation is the Serbian Democratic Party [SDS]?

[Durakovic] We are often accused of having remained on the level of an assessment of so-called "national leveling," because we attack all nationalisms, and this is regarded as balancing, as putting everyone on the same plane. However, it must be said that the most explicit, most resolute, and also most militant nationalism today is coming from the ranks of the SDS. The irritating thing is why the other members of the famous ruling coalition are tolerating this.

[Todorovic] However, you have asserted that the entire state leadership of Bosnia-Herzegovina is familiar with these scenarios. If this is true, how do you interpret their silence?

[Durakovic] Perhaps they are silent for ephemeral reasons, because they would rather have a fragile coalition than lose power and their portfolios. What is obviously at stake is Bosnia-Herzegovina and the attempt to destructively tear it down, for which they are clearly to blame.

[Todorovic] It is increasingly being expected that BH will be divided as a result of secret negotiations. How do you regard the possibility that Tudjman and Milosevic will reach an agreement at the expense of BH?

[Durakovic] In this crazy situation and general chaos, it is possible that they have arrived at this decision, or at least discussed it, although ultimately these are plans drawn up without consulting those affected by them. Because historically speaking, everyone who has attempted to divide Bosnia in this way has not fared well, and it is likely that they have been unable to cut a deal. On the other hand is a completely rational logic, free of any ideological reservations whatsoever. It is simply impossible to partition Bosnia, because the intermixing of the population, of the nations, is such that there is no mechanism for doing such a thing. What are you supposed to do with parts of your nation that are scattered all throughout Bosnia-Herzegovina in enclaves? By applying that sort of principle, it would also be necessary to divide a significant percentage of mixed marriages, although even that term is an empty phrase because, as a friend of mine says, it would be a mixed marriage if you married a goat. All this shows that this is a futile and completely erroneous plan that is unfeasible.

[Todorovic] The national parties deeply resent you for your positions, saying that they are just a marketing trick, and there is even mention of criminal liability for your assertion about civil war....



[Durakovic] These are ordinary delusions, because they have never officially denied anything that we said in our statement. But I would like to take advantage of this opportunity to mention a few facts for your newspaper. It is high time to remove the blame for everything that is happening from the communists after all this time. But even if we ignore this, how is it possible to defend what is going on today in the territory of Bosnia-Herzegovina? The Assembly, as the supreme institution of power, is totally nonfunctional. In the six months of rule by the so-called national parties, only two laws have been enacted, concerning justice and information, and both have been overruled by the Constitutional Court of the SFRY; the multiparty government, in which there is no opposition, is putting forth a program that is not even respected by its ministers, and this is a mockery of the government; the Presidency of BH is unable to adopt a common position on the most important questions concerning BH and Yugoslavia; after half a century, it is not possible to travel freely across the republic without being afraid that some shepherd is going to intercept you with a "Kalashnikov" or a "Thompson," detain you, and perhaps lock you up and kill you; there is absolutely no rule-of-law state. Some of this is not the fault of the communists, but precisely the new government's fault.

[Todorovic] What is the probable reason that at the latest SDP [Socialist-Democratic Party] rally in Sarajevo you called for the formation of a government of national salvation and early elections? Do you really believe that the citizens, after six months of rule by the national parties, would vote essentially differently today?

[Durakovic] I do not believe that they would vote differently, and I even believe that from the party's viewpoint the results would be even more crushing. Specifically, the level of national euphoria and homogenization is currently at a climax, but that cannot remain so for long. The people, metaphorically speaking, have been drugged and are still living from that in a certain sense. Serbian awareness, Croatian awareness, etc. is still a hotter commodity than anything else, and this intoxication has resulted in some sort of collective paranoia. Sooner or later people will have to listen to their empty stomachs, and through this the nation will be pressured and the field will be open to social revolution. I expect this to happen by the end of this year at the latest.

[Todorovic] Does this mean that the national concept has definitively failed, or rather how do you view the possibility that the coalition will remain in power?

[Durakovic] The coalition proved to be inarticulate from the very outset, because as soon as real questions came onto the agenda, such as the position of Bosnia-Herzegovina within Yugoslavia and defining the political character of the new community, they were unable to agree to even the tiniest thing. It is impossible to expect prospects for this artificial, national organization, which in reality is ending up as genuine ghettoization. This collective is in fact playing its role because its manner of manipulation, of raising tensions, is politically profitable

and propitious for engendering historical saviors of and antagonists to national interests. Because you see, it turns out that the Serbs, Muslims, and Croats are all threatened, and that is not the least bit possible, and we are not even considering who may have profited from this entire story.

The only threat is to the citizen of Bosnia-Herzegovina, the person who lives from his own two hands, from his sweat and labor, because he receives no salary or social security and has no vision of how to escape from this chaos and cataclysm. When these questions come onto the agenda, we will have to discuss them normally and prevail over the national connotation exclusively. In fact, we must prevail over this situation of irrationalism and xenophobia, when the spirit has been released from Pandora's box, which, quite understandably, it is extremely difficult now to put back inside.

[Todorovic] Is it because of these reasons that your statement on a unified BH, which you made before parliament, was undermined?

[Durakovic] Here there was a fair amount of vacillation, political stipulations, blackmail, and deception. We did not want some SDP exclusive, and we agreed to renounce authorship of the text if it were accepted by all parties and became a superpartisan document. The document was conceived of as a modus vivendi of this Gordian knot in which we find ourselves. We had a honorable approach, that Bosnia-Herzegovina be defined as a free, democratic, and sovereign state of citizens with equal rights, and that it transfer part of its sovereignty to the federal state, to the same degree as the other republics. The happiest solution would be for issues to be forced out into the open in a democratic dialogue based on equal rights, whereby the reasonable option would be to maintain a Yugoslav state, regardless of the character of its political system, which would have to be settled by negotiation.

[Todorovic] In this context, what do you think about the platform for a future Yugoslav community as formulated by Izetbegovic and Gligorov?

[Durakovic] In my opinion that is primarily a compromise and possibly an interim solution, because everyone is bored by this essentially spurious dilemma of confederation and federation which has been politicized to the extreme. It is an attempt to calm down a chaotic situation.

[Todorovic] It is a fact that Yugoslavia no longer has a Presidency. What is the position of your party on the "eastern" proposal with Bogicevic as a compromise solution? Or rather, is there any way to resolve the current stalemate?

[Durakovic] It is indeed paradoxical that the country is functioning without a head of state or that, for example, our republic is making do without a parliament, in terms of how life somehow goes on. But this situation cannot continue for long, because I am afraid that after the

collapse of the SFRY Presidency, the SFRY Assembly and the FEC [Federal Executive Council] will be the next to go, and at that point we will definitively fall into ruin. For this reason, the nonelection of Mesic should be understood as a farce, as a loss of face towards the world, because it was illusory to expect that he could lay claim to greater rights than Jovic. For this reason, I do not think that Bogicevic could be some sort of artificial shock absorber, when it is obvious that in the entire matter the scenario has been forcibly executed in order to eliminate Mesic at any price, and this says something about the idiocy of those who have done this.

[Todorovic] Given these circumstances and the fact that the people are to a large degree armed, how do you regard the possibility of avoiding open conflict? Also, what are the chances that the JNA [Yugoslav People's Army] and the international community will intervene in all of this?

[Durakovic] Addressing a similar subject, a friend of mine said that it would be good to rent out Yugoslavia for two or three years in order to straighten us out. Being a prognosticator in this situation is a thankless task, although in spirit I am an optimist, even if there is actually no real basis for such a view. Because if war breaks out here, it will not be Lebanon, but rather a much more bitter struggle. All the atavisms, accumulated intolerance, stereotypes, collective paranoia, all the products of the historical scrap heap...do not offer any hope that we will be able to get out of this crisis and conflict in a peaceful and democratic manner.

It appears that history will once again be a bloody schoolmarm in the sense that we will foolishly sacrifice tens of thousands of people, only to realize in the end that the only solution for us is to live together and reach an agreement on everything afflicting us.

As far as the Army is concerned, I am in favor of its intervention anywhere that there is open interethnic conflict, but I am afraid that it will not be able to assert itself across a wide territory. Unfortunately, it is even unable to provide a temporary solution to the enclave problem, and if the flame from the Knin Krajina spreads across Bosnia to Kosovo, where I am afraid that its cap will not be big enough to cover all the corruption there, there will be even more serious consequences.

If only the Army had reacted in time, resolutely, and on a principled basis to all manifestations of the creation of paramilitary units, the issuance of weapons, etc. However, there was too much scheming, disorientation, and political dissension here.

Now, given the announced secession of Slovenia, there are those speaking up to wish them a bon voyage. This is a mistake, of course, and I maintain that Yugoslavia and Bosnia-Herzegovina cannot survive unless at least Serbia and Croatia exist alongside it, because many people would like to divide up our territory and annex it onto their republics, but that will not happen.

If it is not possible to realize a common life on the level of Bosnia-Herzegovina, then this is clearly not possible on the level of any Yugoslav community either. Some people interpret this as some kind of "Bosnian nationalism," but all we are talking about here is the fact that we must not tamper with this hornets' nest, because there will be civil war on the horizon.

I think that we are in a vicious circle where nothing is certain, and the situation is especially catastrophic in the economic domain. It is almost like in the prerevolutionary days when, as Lenin would say, power is expressed on the streets and it is simply a question of who will bring it together.

It is only through democratic dialogue and the commitment of all reform-minded citizens that we can move forward, and our slogan from the last rally, "For peace, Bosnia-Herzegovina, and Yugoslavia" is a clear indication that our party thinks this way too. Of course, the question is what price will be paid until everyone realizes this, but that is not up to us.

#### **Muslims Reject Plan To Divide Bosnia**

*91BA0817A Sarajevo OSLOBODJENJE  
in Serbo-Croatian 7 Jun 91 p 5*

[Article by S. Numanovic: "Muslim Bosnian Organization Press Conference: Monstrous Divisions and Migrations"—first paragraph is OSLOBODJENJE introduction]

[Text] It is utterly clear that Tudjman and Milosevic have also discussed the partition of Bosnia-Herzegovina. Where would the Muslims move to, and where would the republic's Serbs go? What Tudjman said in Great Britain on 7 and 8 May. Condemnation of Alija Izetbegovic's statement.

"Following Tudjman's press conference three days ago, there is absolutely no doubt about whether the leaders have discussed the partition of Bosnia-Herzegovina. Tudjman provided his political version of these talks, which, in his opinion, are based on Milosevic's unwavering resolve that all Serbs live in one state. Since this presupposes a firmly centralized federation or a partition that presupposes a concentration of the Serbian population within one state, the consequence of this position, according to Tudjman, is that Bosnia be divided. Tudjman, as you have heard, says that in that case the Croats too hold to the view that they too want to live in one state, so that the consequence of this position is that Bosnia-Herzegovina would be divided. A second source of our assertions, which did not come from Tudjman's statement because he simply indicated that our statements were well-founded, arises from the circles of experts who are working on the problems of an eventual redrawing of the borders of Croatia and Serbia. In these talks, the classic variants for redrawing the borders are being considered, meaning the partition of Bosnia and of Yugoslavia on the basis of the Yalta agreement. One

variant here is a Danube-Bosut-Bosna-Neretva line, and the other is a Tisa-Danube-Sava-Bosna-Lasva-Vrba line."

This is what Muhamed Filipovic, vice chairman of the Muslim Bosnian Organization [MBO], told reporters at a press conference yesterday.

#### Condemnation on Powder Keg

Filipovic then said that one of the key arguments for considering this "geography" today is the initiative by Radovan Karadzic, who posed the problem of the partition of Bosnia-Herzegovina and the restructuring of its population in the tripartite coalition. In Filipovic's words, it has been proposed that the population of Muslim nationality be resettled from eastern Herzegovina, as well as from the present-day so-called Krajina region, to central Bosnia, and that in exchange part of the Serbian population in central Bosnia go to the Bosnian Krajina. "Similarly, they have proposed the creation of a Serbian corridor based on an exchange of population from Slavonia, where the Serbian population would cross the Sava and settle on the right bank of that river, so that this would be a corridor between the Serbs and the so-called Krajina state. Likewise, the Croatian and Muslim population of the Sava basin would be thrown out—the former across the Sava into Slavonia, and the latter into the southern regions of Bosnia."

Furthermore, Filipovic presented confirmed information indicating that Croatian President Franjo Tudjman, in talks with the British foreign secretary on 7 May, said that he would participate in a resolution of the Yugoslav crisis through a partition of Bosnia-Herzegovina modeled on the Cvetkovic-Macek agreement. On Tuesday, Filipovic continued, Tudjman announced during a talk with English journalists and businessmen that the partition of Bosnia is inevitable in terms of the positions that are being adopted by the Serbian side. "We, not only as Bosnians and patriots, deeply condemn this type of conduct of politics as extremely arrogant and as an expression of historical irresponsibility towards the fate of our people as well as that of Yugoslavia. The only certain thing that would result from the application of this solution is the disappearance of Yugoslavia and the discrediting of all possibilities for ever reestablishing it. On the other hand, this would also mean condemning us Muslims, as well as the Serbs, to living outside of Europe like a Balkan powder keg, condemned to continual conflict in an ongoing controversy among Muslims, Albanians, and Serbs," the vice chairman of the MBO believes.

#### Lost All Reason

The plan for resettling the population, according to Prof. Filipovic, is monstrous and attests to the fact that his proponents have learned nothing from past history, because it is known that all previous attempts in this direction have ended in catastrophe and incurable wounds. He also put forth figures indicating that nearly

60 percent of the Serbian population in Bosnia-Herzegovina lives intermixed with the Muslim population in villages where Muslims have a majority, meaning more than 570,000 Serbs in central Bosnia, while 160,000 Muslims live in regions where Serbs are in the majority. Such partitions and resettlements of the population would bring with them hardships that could be considered only by people who have lost all reason, Filipovic feels. Filipovic sees the reasons for such a situation in the fact that there is no Bosnian policy, but rather a mechanically intertwined program of the three national parties, which are preventing each other from carrying out critical activities.

"Almost seven months ago, the communists handed over power in a gentlemanly fashion, leaving behind a tolerable state of peace, with no snags, secession, black-market trade in weapons—in which government representatives too are involved—500,000 people earning the minimum personal income, while the tripartite division of power brought with it the total blockage of the system," said Filipovic.

Finally, the vice chairman of the MBO took offense at the statement by Alija Izetbegovic concerning the trilateral referendum on Bosnia-Herzegovinan sovereignty, calling this the opening up of the possibility of a partition of the republic.

#### [Box, p 5]

#### Proclamation by MBO to Assembly, Citizens of Bosnia-Herzegovina, and Party Members: Guaranteeing the Functioning of the Republic

In a proclamation issued to the Bosnia-Herzegovinan Assembly, the citizens of the republic, and party members, the Muslim Bosnian Organization demands that the government immediately convene a session of the Bosnia-Herzegovinan Assembly for the sole purpose of discussing the threat to the sovereignty and territorial integrity of Bosnia-Herzegovina and measures to preserve it; that it guarantee the functioning of the republic on the basis of talks between Bosnia-Herzegovinan parliamentary parties, as well as conditions for the formation of a new confederation of sovereign and equal Yugoslav states; that all leaders whose duty it is to ensure the protection of constitutionality and legality, public order, and civil peace, as well as the safe movement of people and property, immediately submit their resignations. The MBO demands that all institutions of power be immediately suspended in Bileca, Trebinje "and others who are involved in smuggling and secession, and that their functions be assumed by the government of Bosnia-Herzegovina and its institutions."

#### Bosnian Internal Affairs Official Interviewed

91BA0830A Zagreb VJESNIK (VJESNIK U SRIJEDU supplement) in Serbo-Croatian 12 Jun 91 p 3

[Interview with Momcilo Mandic, assistant minister of internal affairs in Bosnia-Herzegovina, by Mladen Miroslavljec; place and date not given: "In Bosnia, Everyone Is Arming Everyone Else"]

[Text] Momcilo Mandic, 37-year-old assistant minister of internal affairs in Bosnia-Herzegovina, speaks about that institution, whose credibility has been seriously shaken in the recent past, and about the affairs which have shaken it—the transport of weapons from Kragujevac to Visoko, the transport of weapons from Montenegro to eastern Herzegovina, the arrest of members of the Croatian MUP [Ministry of Internal Affairs] in Bosansko Grahovo, the intrusion of the “Marticites” from Knin into Titov Drvar and Bosansko Grahovo, and the toxic waste from Slovenia in Sarajevo. The Ministry has been especially attacking the SDS [Serbian Democratic Party], whose president, Dr. Radovan Karadzic, “has been promising” total reconstruction in the near future. But the real scandal broke out when Alija Delimustafic, minister of the MUP, declared in a meeting of the government that the Bosnia-Herzegovina police had been Lebanonized by the present party division and that the three ethnic parties were blocking the work of the MUP.

[Miroslavljevic] Does the BH [Bosnia-Herzegovina] MUP have the political-security situation under control?

[Mandic] At a time when the Yugoslav state is being haunted by the specter of civil war, and when in the atmosphere thus created security in BH becomes more problematical every day, it is difficult to control the security situation. Events are developing as on a film strip, so that sometimes we are unable to control the security situation because the BH MUP is also in a phase of transformation and adaptation to the new conditions that have come about. Yet I hope that in the time before us we will have the forces and knowledge to successfully control the security situation in the republic and help to protect public peace and order and the safety of every citizen of the republic. We have requested and received from the BH Government and Presidency full confidence and a free hand, especially in the recent past, so that now it is up to us to take control of the political-security situation.

[Miroslavljevic] Why was the level of security preparations in BH stepped up, including the involvement of special police, and is that level the same in all areas of the republic?

[Mandic] In keeping with the current security situation in the republic, the MUP is setting its own level of alert, and that applies to the entire territory of BH. The use of special MUP units is regulated by a law that is uniform for the entire republic. It is not true that members of special police units have been assigned to protecting bridges or other facilities in the direction of Serbia, as is asserted, or that they are monitoring individuals. The security measures in effect are the same for the entire republic and on all borders with other republics, and the MUP is operating equally over the republic's entire territory.

[Miroslavljevic] What is your comment on the “taking of measures” by the Military Prosecutor's Office in Sarajevo against Avdo Hebib, assistant minister of the MUP, and two other MUP officials?

[Mandic] I am not aware that the Military Prosecutor's Office in Sarajevo has actually taken any legal steps against Avdo Hebib, assistant minister, and two other MUP officials. As for the transport of weapons from Kragujevac to Visoko, there is no question that the MUP politicized that. The behavior of the military police and of the Army in that case contributed to the politicization of that case. We have established with full certainty that the accompanying documents, invoices, and order forms were not in order, because they were backdated and on that basis we suspected that the transport of arms was irregular, and that is why we held it up until we established for whom it was intended. It is a fact, however, that no one has so far declared that these were not military weapons at that point, because they become military at the point when they are turned over to the Army. Before that, they belonged to the “Crvena Zastava” Plant. And along the way some people have taken advantage of the occasion to attack the YPA [Yugoslav People's Army] as well.

[Miroslavljevic] Does the MUP have knowledge that paramilitary armed groups—militia entities—are being formed in BH? Are there Croatian police in western Herzegovina?

[Mandic] For the present, we do not have data on the formation of paramilitary formations, paramilitary police entities, and the public has already been informed about the intrusions of policemen of the Republic of Croatia MUP on BH territory. They have been turned over to investigating authorities in Banja Luka, and criminal proceedings are being conducted against them. As for arms, this has become a lucrative business, and the Serbs and Muslims and Croats are trading in arms with one another.

[Miroslavljevic] How many registered weapons are owned by individuals, and what is the ethnic distribution of their owners?

[Mandic] Those records should be taken as approximate because records are not kept on the nationality of owners of firearms. Up through the end of this February, 270,581 individuals in BH possessed 323,118 firearms on the basis of gun permits. Within that group, 92,479 Muslims possessed 110,410 firearms, 131,857 Serbs 157,213 weapons, and 42,996 Croats 51,792 weapons. Firearms are also owned by 3,229 members of other nationalities and ethnic minorities, and here the number of weapons is 3,703.

[Miroslavljevic] What is being done against illegal arming of individuals?

[Mandic] When it is established that weapons and ammunition have been procured without the prescribed permit, the competent center of the security service

confiscates them on the basis of a decision. A person who procures weapons or ammunition without a permit when a permit is required for the procurement of those weapons will be subject to a fine of 5,000 dinars for that misdemeanor or imprisonment up to 60 days, and in this connection requests to institute misdemeanor proceedings have to be filed in such cases. What is more, anyone who manufactures, purchases, or in any other way makes weapons and explosives available when they are intended to commit a crime is designated as the perpetrator of a crime. A prison sentence of at least three months and not more than five years is envisaged for that crime. It is also a crime to manufacture without a permit, modify, sell, purchase, or trade firearms, ammunition, or explosives, as well as to possess firearms without authorization, and again the penalty is imprisonment up to three years. If a large quantity of arms is involved, the perpetrator will be punished with a sentence of at least one and not more than 10 years.

[Miroslavljivic] You have been attacked on grounds that the BH MUP is looking more and more like the Croatian MUP, and one argument is the uniforms of the special police which you purchased in Croatia. Why?

[Mandic] The BH MUP is like all police forces in the world, which in turn resemble one another, and so its uniforms for the special police were procured where the terms were most favorable. Because all are adapting to the market, we must also behave in a market-oriented fashion, and so it happened that we made the purchase through the Croatian MUP. We were not given the 500 uniforms for the special police as a gift. We would have done this through any other MUP if the offer had been favorable. Those uniforms are the same in all republics within Yugoslavia.

[Miroslavljivic] If there are no ethnic confrontations in the MUP, are there disagreements?

[Mandic] Our people do not live in isolation, but are a part of the social environment, and the environment is unfortunately overflowing with ethnic exclusiveness that is being created both in Bosnia-Herzegovina and in Yugoslavia. To be sure, there are ethnic divisions in public security stations, and that in communities where interethnic relations are already disrupted. However, we have been vigorously and radically interdicting those cases, and in spite of everything, interethnic relations are stable in the headquarters of the MUP. People are aware of the fact that they need to work and live together and that we have no other choice. As for disagreements in the professional area, there are fewer and fewer of them, because we have new people who are trained and educated and their professionalism and knowledge are coming more and more to the forefront. Before taking up responsible positions in the MUP, people have had other jobs, and we need time to adjust.

[Miroslavljivic] Are there people in the MUP who have a criminal record?

[Mandic] Chiefs of public security stations and commanders of police stations are now being hired under an agreement among the parties. The position of the MUP is that people are to be hired for those positions who are already working in the MUP and have neither been punished, nor are unfit. However, because the parties are nominating people for opstina bodies of government, people are coming to us from outside, and there is great pressure in the field. So, if two of them are hired in every opstina, that means about 300 new people. It is possible that mistakes are made, and there is the possibility of individuals having a criminal record, but for crimes which are not considered so-called dishonorable crimes—traffic violations, for instance—and there is no impediment to their being hired in the MUP. We know that a majority of the present officials have served sentences, and they are governing the state. So why is this question being raised in the case of the MUP?

[Miroslavljivic] Do you feel that the collaboration of the MUP and the Council for Protection of the Constitutional Order is satisfactory? What mutual relations have been envisaged regarding formal law?

[Mandic] That cooperation is precisely regulated by a resolution of the Presidency of SR Bosnia-Herzegovina, which establishes the manner, scope, and topics of information. Our information is so conceived that it serves the purpose of informing the competent bodies of the state in a timely, complete, and effective fashion. Recently, an assistant minister for analysis and information was chosen because there had been a lag in that information, but because of his election, information has become satisfactory.

[Miroslavljivic] Why does the MUP not file criminal charges concerning the disinformation that pertains to it?

[Mandic] It is generally known that in the entire country, including our republic, cases are being recorded more and more frequently of illegal trade in weapons and ammunition. It is quite normal that this Ministry should also step up its activities to combat this dangerous form of crime, and there is no need for a specific explanation as to the importance to security of promptly interdicting and discovering every attempt at such trade. Detection of such cases and other appropriate information have been made available to the news media. To be sure, we did not feel that there was a need at that time to concern ourselves with the disinformation you mention, nor do we waste our energy on it. Although under the law people should be called to account for spreading disinformation and should be made responsible for statements made in public.

### **Macedonia's Attitude Toward Country's Future**

91BA0815B Belgrade BORBA in Serbo-Croatian  
8-9 Jun 91 p 4

[Article by Dragan Nikolic: "Independence Means Disaster"]

[Text] Macedonia will not take anything if Yugoslavia breaks up. It has no "brigand scenario," nor does it intend to write one. Consensus has been achieved on this in the Macedonian parliament, and the Macedonian press supports it emphatically every day. Nevertheless, it is not precluded that the southernmost republic might wake up one morning independent, not on the basis of its own scenarios and decisions, but on the basis of the decisions and scenarios of others. Macedonians fear that most of all, and the Macedonian Government has been commissioned by parliament to prepare itself for that possible outcome of the Yugoslav crisis.

Macedonia has no interest in the breakup of Yugoslavia even though "the most ethnic party, whose rating is going lower and lower, launches from time to time the slogan of 'Salvation of Macedonia' from enslavement in Yugoslavia." It seems, however, that this slogan is only "serious political marketing" which touches a chord in Macedonians, who want a bit more self-reliance. After all, it is more than obvious that we cannot enter either a mini- or a maxi-Balkan federation or confederation on the basis of unilateral decisions or romantic ideas. Macedonia will not leave Yugoslavia: Not because it finds its interest in Yugoslavia is greater than the interests of the other republics, but because it takes the position that the survival of Yugoslavia is in the interest of all and that it would be a disaster for everyone if we fall apart into "little Balkan cages."

#### Only as a "Decision Imposed"

The former Macedonian Government did a study of which solutions of the crisis were most favorable for Macedonia and which least favorable: federation, confederation, or independence, and the results of that study have never been made public, "because that would weaken the Macedonian negotiating position." Because the study showed what was in fact expected: that independence is a disaster. That is why in Macedonia today, aside from the "romantic dream" of being "masters of our own house" and of "our rifle on our shoulder," independence is spoken of only as an "enforced solution" which would become relevant if decisions of others should force it upon Macedonia.

Leading Macedonian business executives, reacting to the ideas of the "most nationalistic," have said that on the "first day afterward" they would practically have to shut down production because they would have lost the Yugoslav market, which is 10-fold larger than the domestic market. The loss of such a market would be a disaster for any economy. However, this was followed by charges of the "most national leaders" that those executives were announcing disaster not because Macedonia cannot go it alone, but because they are "communist-trained" and the only door they know is the door of Yugoslavia. The assessment is that this is only a sign that there might rather be some new "large-scale differentiation of plant managers" than an expansion of the economy on some other market captured long ago.

Those who engage in the business of making prophecies say that on the "first day afterward" transportation would come to a halt, and so would heating if it is wintertime. The Macedonian Government is working hard on bringing gas throughout the republic, which could avert a possible energy shock that first day of "imposed independence." It is thought that it will manage to bring gas throughout the republic for some \$25 million, but the Skopje Refinery must halt production even if that first day does not come, because bringing in the gas would take away the market for residual fuel oil and because it would not have the money for additional investments in the refinery for its further refining.

Many people are now saying that Macedonian agriculture is threatened with excessive importation of farm products, but that it would be altogether threatened if it faced a closed Yugoslav market on which it sells immense market surpluses of fruit and vegetables. That day would be the beginning of the end for many traditional Macedonian farm products, and entire regions of Macedonia would be devastated.

Enclosed within its own absolute sovereignty, Macedonia would not be able to withstand the ethnic tensions, which would increase in direct proportion to the completeness of sovereignty and the depth of Macedonia's isolation in the "heart of the Balkans." The Albanians and Turks do not want to be second-class citizens in a national state, and the Serbs, who number about 40,000, do not want to be an ethnic minority.

#### The Imbalance of Recruits

It is said that a Macedonian army, for which the "national romantics" yearn so much, could neither be equipped nor maintained (which is why some parties propose demilitarization of Macedonia), and Macedonia would also have difficulties because there would be many more recruits of Albanian nationality in that army than the share of Albanians in the total population because the birth rate of Albanians is several times higher than that of the total population. Albanian recruits would have to carry "Macedonian rifles." But if the dream of the "most national party" is realized of unifying all three Macedonias into an integrated Macedonia, the situation would be still worse, because the Macedonians would be only an ethnic minority in that state. Macedonian politicians restrain themselves from talking about the unfavorable nature of possible Macedonian independence, because that would be perceived as Bolshevik intimidation of Macedonians by the "most national" and as "janissary treason." Romanticism, incidentally, never could stand realism.

The present Macedonian Government has done everything not to threaten either itself or romanticism. It has publicly stated that Macedonia is a sovereign state and has been since ASNOM [Antifascist Assembly of National Liberation of Macedonia], only that its sovereignty was usurped in the AVNOJ [Antifascist Council

of the National Liberation of Yugoslavia] federation. It then called for discussion in the Yugoslav talks not of topics in the field of semantics (federal state, alliance of states), but of the content of future relations in the Yugoslav community. Later, it joined Bosnia-Herzegovina in proposing a compromise solution (sovereign governments on a sovereign market) with a common currency and defense. We have learned that yet another step will be taken in that same direction, and a referendum will be scheduled on the "European option." The idea is maturing, that is, that Macedonia schedule a referendum not "for" or "against" a federal state or alliance of states, but "for or against the EC-offer." The present Macedonian Government wishes in this way to gain support from a plebiscite in its vision of the Yugoslav community, constructed after the model of the European Community. It is possible that it will also appeal to others to take a position for or against the "EC-offer." The Macedonian Government takes it for granted that a Yugoslav community could function only if European standards are implemented.

Macedonia is dissatisfied with its previous status as a federal unit in the AVNOJ federation because it was unable to realize its national ideals, but it is still more dissatisfied with the present situation in the Yugoslav community, in which "the law is silent." That is, it has a Yugoslav market on which it markets its goods, but it is not collecting for the goods it markets. The republics of the Kingdom of Serbia, Croatia, and Slovenia, the principal protagonists in the Serbo-Croat conflict over Yugoslav domination, now owe Macedonia dizzying amounts (Dr. Nikola Kljusev went to Slovenia the other day to collect a debt of 1.2 billion), and that is the main reason why the Macedonian economy is today clinically dead. Thus, in a way Macedonia is already living the day after.

### **Gligorov on Proposals for Solution to Crisis**

*91BA0808B Belgrade NIN in Serbo-Croatian 7 Jun 91 pp 26-29*

[Interview with Kiro Gligorov, president of the Republic of Macedonia, by Svetislav Spasojevic; place and date not given: "The Macedonians Are Not Seeking Weapons"]

[Text] Kiro Gligorov is no new star in the Yugoslav political sky. He has been president of the Yugoslav Assembly, vice chairman of the FEC [Federal Executive Council], and earlier minister of finance as well.... Thanks to this rich political experience, at the very least journalists know more than they did before after talking to him.

[Spasojevic] Let us begin with what is of interest to all Yugoslavs at this moment. What do we get that is new from the platform that you, Mr. President, and Mr. Izetbegovic intend to offer in the meeting of the six presidents in Sarajevo?

[Gligorov] The idea of that platform arose on the basis of a conversation with Izetbegovic. We wanted to draw up

a document that would be the basis for talks among the presidents. It would have to be aimed at preserving the Yugoslav community, and in this way we have tried to bridge the unbridgeable gap that appears at first between the continued existence of the Federation, even with certain powers which would be even broader than it now has, or on the other hand, an alliance of sovereign states with full sovereignty and international law only of the republics.

We felt that insistence on the extremes of "either-or" was leading nowhere. Any failure to take real relations into account either in the international context or in domestic realities perpetuates a crisis which the world no longer understands. The result, like it or not, is slowly clearing the way toward civil war.

Accordingly, any attempt to get out of this situation deserves attention. We do not feel that this is some hard and fast and firmly defined proposal that cannot be departed from, as is the case with those other options which are being offered. This is a platform for discussions of reasonable people, a search for a solution which on the one hand will preserve the Yugoslav community and on the other will respect certain realities that have come about in the country and which cannot be simply cast aside by saying: These are things we have gone beyond, this is the destruction of Yugoslavia, or, this is the 19th century, or any of the other things said in this connection.

[Spasojevic] The basis of your proposal is the thesis that not only Yugoslavia, but also the republics could be states under international law. This is a joining of the two extremes. Is it possible?

[Gligorov] In the second meeting of presidents, I insisted: Let us not talk about terms such as "either we favor an alliance of sovereign states or a federation," but rather let us talk above all about the four domains which are decisive for the character of any community: the economy and the economic system, human rights, defense of the country, and relations with foreign countries.

Crudely put, our proposal is based on an effort to preserve the Yugoslav community and to avoid absolute adoption of either of the projects. It is our premise that there is a European process of which we should be part and in which, as we see it and as experience there has demonstrated, it is the gradual and pragmatic strategy that has been working.

[Spasojevic] Have you gained the impression, Mr. Gligorov, that all (and on this occasion I will mention Slovenia and in part even Croatia) truly formulate as their goal Yugoslavia as a legal entity in the international sense of the word, or that in fact they accept it as a temporary community by treaty until they solve some of their problems?

[Gligorov] I really would not like to speak in anyone's name and say what their view is. My point of departure



is different. I think that real interests exist and must be respected. And from that viewpoint, I see no reason why all should not seek a way of preserving what all are interested in. There are political conflicts and debates under way in which one does not know what is the ultimate goal, the goal of the moment, or indeed the passing political goal. Much of this is mixed up now, and because of those risky and very grave events—the conflicts in Pakrac, Knin, and now in Bosnia—it is very difficult for me to make judgments about ultimate goals except on the basis of common sense.

[Spasojevic] And according to the logic of the thing?

[Gligorov] By the logic of the thing, I would conclude that there are real interests that must be talked about, to which probably none of the participants dares to turn a deaf ear. All are aware that what has been created over 70 years cannot be liquidated so easily. Accordingly, there will have to be much more discussion, so that even what happens on 26 June need not be the last word.

[Spasojevic] You are proposing internationalization of the Yugoslav question. Do you have the impression, after the considerable discussions which you have had with people from Europe, that views differ concerning the unity of Yugoslavia? Some people say that it should be preserved, but unfortunately one has the impression that that is not what they are thinking.

[Gligorov] We are not proposing internationalization, that is something that will occur of itself, whether we want it or not.

[Spasojevic] In fact, it has already occurred.

[Gligorov] Yes. Nevertheless, I do not concur in the opinion that every interest of Europe constitutes an interference in Yugoslavia's internal affairs. I would set up another logic in opposition to that—all the republics say that they want to be part of the European Common Market. How, then, is one to explain that the people with which we wish to live together are interfering in our internal affairs solely because on some matter they perhaps think differently from us? And then, how can we make any approach at all to Yugoslavia's association in some mildest form with those states which are in the European Economic Community and hold talks at the same table on things which are seen differently? And indeed tomorrow, should we become members, all of that is still there waiting for us, and the difference in views will crop up. On that basis in turn, the objection could be made that they are interfering in our internal affairs.

[Spasojevic] Do you feel that what is referred to as the West is in unison concerning Yugoslavia, or are there differing interests of particular countries or particular groups of countries?

[Gligorov] We would be naive if we thought that there were not differing views and differing interests. But what is being presented to us is the opinion of the European

Economic Community, the opinion of the 12 by legally authorized representatives. They are pleading as a community for preservation of Yugoslavia's integrity, they are calling for respect of the Constitution so long as it exists, until we reach agreement on some other system of government. They also want us to resolve the question of the chief of state. They are insisting on respect for the Constitution not because of the Constitution itself, but because a country must have a legal system. If a country does not have a legal system, then it is difficult to do any business at all with it or even to negotiate.

[Spasojevic] It has been proposed that Bosnia-Herzegovina and Macedonia take over the right which Croatia and Montenegro had—the positions of president and vice president. That the president come from Bosnia and the vice president from Macedonia. What do you think about that, and do you see that as some kind of solution?

[Gligorov] Unfortunately, I think that that is not acceptable, that it is not a solution. It is not a solution for the simple reason that it is not a compromise, because that decision negates the constitutional position of the republics. It could happen tomorrow to any other republic. That would be a precedent that tries to resolve a question contrary to the Constitution; it will not be possible to accept it, nor does it offer any incentive even to Bosnia-Herzegovina and Macedonia to give in to a craving, if I might so put it, and to accept such a solution. Many more important things are in question here.

This situation has brought about an unnecessary political conflict. We had no need for that. This is a situation that has been unnecessarily complicated. Certain views of the opposing sides have stiffened. It has been stated that a person (Stipe Mesic) who said "that he would be the last president of this Yugoslavia" could not be the president of the Presidency. I checked out that statement. That is not exactly what he said. He said something a bit different: that he would be the last president of this Yugoslavia, this kind of Yugoslavia, based on this Constitution, and that during his term a solution would be found for the future Yugoslav community. Accordingly, this is a political conflict which came about and which in my opinion should be resolved by the old parliamentary rule—simply move on to the agenda, if it is at all possible.

[Spasojevic] It is only a question of changing the sequence for the positions of president and vice president. Has that ever occurred before in the Presidency?

[Gligorov] Never. Absolutely never. Everyone has accepted the sequence as an agreement that guaranteed equality. And now all of a sudden a difficulty is made over this question: Mesic can be a member of the SFRY Presidency, he may even be the vice president of the SFRY Presidency, but he may not be the president! That is a position difficult to defend.

[Spasojevic] Yes, but even earlier care was taken to prevent a concentration of one nationality in those top



positions. There are people who feel that Mesic's behavior is not the only obstacle to his election, but there is also the fact that the president of the Presidency would be a Croat, the prime minister is a Croat, the minister of foreign affairs is a Croat....

[Gligorov] The discussion concerning this disagreement did not follow that line. That is, they took pains to say that they could accept anyone else from Croatia but Mesic. Accordingly, the concentration would have remained.

[Spasojevic] Was there discussion of that in the Presidency?

[Gligorov] No, not there. Another question was raised: Give us, for example, Ante Markovic or someone else elected by the Croatian Assembly, but not Stipe Mesic.

[Spasojevic] The Presidency found itself split over more than Mesic's election. It will also be blocked in a distribution of four against four in resolving other issues.

[Gligorov] I do not think that the division of four against four is final. That could be the case only on the issue of whether the republics are states at all or are not, on whether they possess any sovereignty at all or none, on whether the borders within Yugoslavia are changeable or unchangeable? They are changeable only by agreement, but that is another issue. On all of that, there truly is a division of four and four.

[Spasojevic] But those are the key issues which have to be resolved if we are to go forward.

[Gligorov] It depends on how you look at it. Those issues, for instance, deserve fuller elaboration. Is it an accident that a federation was adopted? Is it an accident that all the postwar constitutions since AVNOJ [Antifascist Council of the National Liberation of Yugoslavia] treat the republics as states? Is it an accident that the Serbian, Croatian, and Macedonian Constitutions, with amendments, state explicitly that the republics are states? The Serbian Constitution, for instance, says that Serbia is the state of all the citizens of Serbia. It is difficult to understand that one can speak in general about Serbia, after two dynasties and 150 or however many years it is of its own state, and ask whether it is a state or not, and say that it is an administrative unit. The same applies to Montenegro. And indeed even in those republics which after the war, when they entered the federation, thought they were achieving their goal of their own state. That is the case with Macedonia, and that is not understood or not sufficiently taken into account. Why should we go back to the past now and cause new frustrations in those republics in which it is felt that that national determination has not been achieved?

[Spasojevic] Do you think that that is being called into question?

[Gligorov] If it is asserted that the republics are not states, but administrative units, and that Yugoslavia is

the only state, then that is to call into question Macedonian statehood, among others.

[Spasojevic] You have to admit that it is a simple matter to proclaim a republic to be a state when you have a compact ethnic entity, when your nationality is not scattered over several republics....

[Gligorov] If we are really thinking seriously about entering Europe, if that is not just a slogan of ours or some fad, then those stories of ours about borders and about what will happen to those who remain in another republic are superfluous. Neither do I come from a republic which is ethnically homogeneous, so as to be one of the others whom that problem does not affect, nor am I one who cannot understand it. I understand it fully. If we seriously want to become part of Europe, then this issue must be viewed differently, because it is a prerequisite for our being in Europe that we all enjoy the same conditions of respect for human, civil, ethnic, and all other rights, and the borders are formal, not actual.

Unless we adopt the premise that those will be completely independent states opposed to one another. But that is then a different discussion.

[Spasojevic] But that is a possible outcome.

[Gligorov] That is a possible outcome if we do not reach an agreement within the Yugoslav community, and if we renounce the European option. Those two things are in my opinion decisive to a position on this issue. For instance, I have said continuously in all my statements that we do not have any territorial claim whatsoever toward anyone, nor toward any state, not even outside Yugoslavia, but particularly toward republics within Yugoslavia. I repeat that we want open borders and that we see the resolution of the Macedonian question precisely in our all becoming part of Europe.

Why, then, assuming inclusion in the European Community, have these questions been raised along the lines that a segment of the Macedonian people, if it is not in the Macedonian state, formally in the Macedonian state, but is in a community, will be condemned to genocide? Why?

[Spasojevic] Because it is. On several occasions we have heard the reactions of Macedonians to their position or negation, that is, the erasure of the Macedonian minority in both Greece and Bulgaria. There, then, the Macedonians are threatened. Or do you think otherwise?

[Gligorov] Of course, that is altogether accurate in the situation today.

But, you see, that is why now we are seeking by every possible means at our disposal that the rights of those minorities of yours must be respected by European standards, but we are not demanding that territorial borders be changed. That is no longer possible now in this Europe. There have been periods when matters were settled by military means, by wars and the like, and there have been periods, and I think we are in such a period

now, when we have to settle matters by peaceful means and by respecting that objective process which is leading toward association. That is the European process about which people talk, and that is how I understand it.

[Spasojevic] How do you interpret the arming that is taking place in Yugoslavia—the Croatian army, the Slovenian army, and even an armed Krajina?

[Gligorov] We do not have that kind of orientation at this point.

[Spasojevic] You in Macedonia do not, nor do we in Serbia, but we are talking about the other republics.

[Gligorov] You see, that is the result of everything that has occurred in Yugoslavia. Instead of that, we should be talking, we should be seeking the way out which we have all discussed to such an extent, and then all of that will become nonsensical all by itself. Someone has to pay for that. The citizenry will pay. In this crisis, with all these burdens which we have, that is all we need, another addition to all the rest.

[Spasojevic] In your estimate, Mr. Gligorov, is there a dispute between Macedonia and Serbia?

[Gligorov] Well, you see, an interview with Vuk Draskovic, who says that the Macedonian question was settled in 1912, was published yesterday, if what came out in an Athens newspaper is correct.

[Spasojevic] That is one opinion.

[Gligorov] But he is not just anybody.

[Spasojevic] At the same time, there was an article in today's POLITIKA to the effect that the leader of the VMRO [Internal Macedonian Revolutionary Organization] is proposing separation of Macedonia from Yugoslavia and the merger with Bulgaria.

[Gligorov] I have not read today's POLITIKA, but Macedonia's position, adopted by the Macedonian Assembly in the platform that was adopted for talks on the future Yugoslav community, is clear: We favor preservation of the Yugoslav community and cooperation with all neighboring states, open borders, and mutual respect.

[Spasojevic] It might be said that aside from the Krajina, Bosnia-Herzegovina is the only state in Yugoslavia in dispute and threatened with civil war. Could a Yugoslav solution be brought closer through a separate settlement of the question of Bosnia-Herzegovina?

[Gligorov] In this process, as I conceive it, the answer is the same for that question as well. After all, if tomorrow all of Yugoslavia is in the European Economic Community, then all the present republics as states and their borders have been relativized. We become part of a space in which we all have the same rights and we all move freely. And Bosnia-Herzegovina, as a republic, is treated as a state even now under the Constitution.

Should there be a declaration on Bosnia-Herzegovina as a sovereign state, and if it offends anyone today, that is because of this present atmosphere of ethnic confrontation. But outside that atmosphere things become different.

[Spasojevic] Do you see similarities between Kosovo and western Macedonia?

[Gligorov] There are similarities, but also differences.

[Spasojevic] Mr. President, enumerate some of them!

[Gligorov] The differences are historical, as well as in the way this problem has been settled up to now in Macedonia and in Kosovo.

[Spasojevic] Do you have the impression that the ethnic Albanians in Macedonia are waiting for the main battle for the republic to be decided in Kosovo, and then they will come under that umbrella?

[Gligorov] My premise is that we will have to live together. That is the first thing. The second thing is that in historical terms, regardless of the present difficulties and problems that exist and will always exist in interethnic relations, we were together under Turkish enslavement, and it is no accident that the Manifesto of the Krusevo Republic referred to that uprising as one of the Macedonians, the Albanians, the Turks, and the Wallachians.... In World War II, we had joint units. However, that does not mean that in view of religious, cultural, ethnic, and other differences it is easy to achieve what we might call life together, that is, a community life.

[Spasojevic] Are the ethnic Albanians in Macedonia seeking territorial autonomy either officially or unofficially?

[Gligorov] There has been no such official request at all. There have been various rumors and stories to the effect that there have been unofficial requests, but whenever it was stated in connection with those rumors that such-and-such would happen tomorrow—it did not happen. That is the present situation.

[Spasojevic] What would be your attitude toward such a request if it were made?

[Gligorov] Up to now it has been our premise, and this has been reiterated by all the representatives of the Albanian Party—the party for democratic prosperity, that Macedonia is their homeland and that they want to be equal citizens in it. Up to now, there have been no other requests at all either for territorial or any other form of independence, and I would not want to say anything hypothetical about this, nor in this position make any other assumption about that.

[Spasojevic] There are Serbian military cemeteries in Macedonia that are in a rather sad state. For years, Belgrade and Skoplje have been unable to strike a deal on caring for them. As a former citizen of Belgrade, I

would like you to comment on this disagreement, which has gone on for decades, for the benefit of NIN's readers.

[Gligorov] I think that this is a question of civilization and humanity. There ought not to be a dispute between us, because the dead must be respected. In itself, this ought not to be any big problem.

But now that we are talking about these matters, we ought not to detour around the autocephalous status of the Macedonian Orthodox Church. I see no objective reasons for denying a people the right to have its own church. Thought should be given to that. Refusal to recognize the Macedonian Orthodox Church, which exists here—that is a part of reality and one of the important attributes of the Macedonian people in the final analysis, regardless of how you look upon religion. This is also a question of civilization and a part of that reality of ours which we ought to respect.

When it comes to the relations between the Serbian Orthodox Church and the Macedonian Orthodox Church, no issue can be a taboo topic. We have to find those solutions which are logical and acceptable and consistent with the times in which we live. The thesis that believers in Macedonia are a segment of the Serbian Orthodox Church is difficult for anyone here to understand, and I do not see that this is an interest of the state or anything else. I even believe that those two churches would collaborate most closely in the Balkans, but assuming they recognize and respect one another. I see no reason whatsoever why that should not be the case. This is a trauma we could do without.

[Spasojevic] Can you agree that the Macedonians are oversensitive?

[Gligorov] You are right. There is a degree of oversensitivity. But if one goes a bit further into the history of the Macedonian people, into what it has experienced and suffered, and there is something which it feels it has achieved, and now this is being jeopardized—that oversensitivity is very much present, and the reaction to those things is fierce. You might have noticed that both in the parliament and outside the parliament I try to launch the assertion that we need not convince anyone that we are Macedonians, nor do we need to seek recognition from anyone. We should tell everyone that we want to cooperate with everyone whether they recognize us or not. After all, whoever fails to recognize reality is doing harm to himself.

[Spasojevic] Is there really so much Serbophobia, or are the Serbs also oversensitive?

[Gligorov] I think you have put it correctly. Half of what is called Serbophobia would not exist if this thing were not so accentuated. But it does not resolve the issue when the nationality which considers that there is a certain disposition toward it—call it Serbophobia if you will—feels that it must accentuate the existence of Serbophobia toward the Serbian people in all the articles and in all the speeches.

[Spasojevic] Might it be said that both Serbian and Macedonian oversensitivity is a sign of inferiority?

[Gligorov] I completely agree. In my own thoughts, I have been thinking the same thing. Why do these people so emphasize that everyone hates them? First, it is not true. No one can convince me that I hate Serbs. How? Why? I have so many friends, I lived there such a long time, so many families, so many memories.... There are people whom a man does not like, but that is not because he is a Serb, but I do not like him because of the way he is.

### Conflicting Statements on Krajina Recognition

91BA0817C Belgrade BORBA in Serbo-Croatian  
8-9 Jun 91 p 6

[Article by I. Profaca: "What Jovan Trmčić, head of the Federal Secretariat for Internal Affairs Group, Actually Said in Sibenik: Unrecognized Recognition"—first paragraph is BORBA introduction]

[Text] The BORBA reporter has it on tape: I have answered your question. The federal secretary does not recognize any SUP [Secretariat for Internal Affairs] of the SAO [Serbian Autonomous Region of] Krajina.

Split—The group from the SSUP [Federal Secretariat for Internal Affairs] that is staying in the area of the opstinas of Knin, Benkovac, and Obrovac held yet another press conference, this time in Knin in the presence of Knin police chief Milan Martić. On that occasion, according to reports from the meeting, the leader of the group, Jovan Trmčić, denied the statement that he had made one day earlier in Sibenik in which he refused to recognize the SUP of the SAO Krajina, alleging that he was wrongly or inaccurately interpreted.

Since he backed up his allegation by saying that the SSUP has its own tape recording from the Sibenik press conference, we reminded him that there were two tape recorders on the table in front of him, one from Sibenik Radio and the other from the BORBA reporter. And since he brought up the subject of tape recordings, this is what our microphone recorded: "As far as the legality of institutions of internal affairs in the area of Krajina is concerned, I have reminded you that the Federal Secretariat is an agency of the Federal Executive Council, and it has taken a clear stance on the status of Krajina, and consequently on all institutions that pertain to the SAO Krajina as well. This basic position provides an answer to all your other questions."

Interruption by a journalist who said, "You didn't answer my question."

Trmčić: "I answered your question. The Federal Secretariat does not recognize any sort of SUP of the SAO Krajina. In terms of the attitude of the Federal Secretariat towards this question, I think that the answer was clear."

We do not know why Mr. Trmcic denied having said this, but it is obvious that he is saying different things depending on whether Milan Martić or the Croatian deputy minister for internal affairs, Jerko Bukas, is sitting at his side. Trmcic's attitude towards the journalists could also be heard at the Sibenik press conference:

"We are following everything that the press is writing about our visit, and we have a person in charge of keeping notes and records of this. I will not say or mention the names of any newspaper or magazine, but I do appeal to the conscience of every journalist, even though please, as a policeman, I certainly don't have much of a right to appeal to the conscience of journalists. But each of these journalists who has written something, and who has served to exacerbate interethnic relations, if—God forbid—war and interethnic conflict should come, then these journalists who are writing these things might leave their cameras and notebooks behind and be the first ones to go to war with a gun on their shoulders, while those of us who are making some effort towards dialogue, towards a peaceful resolution of the problems, will watch you from the side and take notes on how successful you are as soldiers."

#### **Data on Foreign Currency Savings Reported**

91BA0824B Belgrade BORBA in Serbo-Croatian  
12 Jun 91 p 2

[Article by V.V.: "Foreign Exchange Savings Are Not Threatened by a Freeze"]

[Text] Belgrade—According to the figures of the National Bank of Yugoslavia, total foreign exchange savings of individuals amounted to \$10.8 billion on 30 April, and there were \$172 million in accounts of authorized banks dealing with foreign banks. This information was given in a response by the FEC [Federal Executive Council] to a question by Husin Hodžić, delegate in the Federal Chamber. He was interested in a number of things in this area—from the status of foreign exchange savings to whether a moratorium is envisaged on use of the foreign exchange savings of individuals over a lengthy period.

The federal secretary for finance and the governor of the National Bank of Yugoslavia say that no moratorium is envisaged, nor are the foreign exchange savings of individuals threatened with a freeze, conversion to dinars, or any other change of status concerning the quality of the claims of individuals. Total foreign exchange savings, just like all other foreign exchange receipts, are used to maintain liquidity and make payments to foreign countries, and they may not be made for payments within the country. The response emphasized among other things that the Federation guarantees the foreign exchange savings deposits of individuals and that under regular conditions withdrawal of foreign exchange savings ranges at the level of no more than 5 percent of foreign exchange savings. The banks can handle that without any

difficulties whatsoever, the FEC says. Given the enormously large withdrawal of foreign exchange from foreign exchange savings accounts, however, the banks inevitably have considerable difficulty serving their savings depositors, because this is threatening the liquidity of the banks. This occurrence, the FEC said, would also threaten considerably larger and financially stronger banks even in the advanced countries.

Yugoslavia has completely or partially abolished visas for 60 countries, and is the only European country which does not have a visa arrangement with Sri Lanka, the Philippines, and Iran, was the FEC's answer to a question by the same delegate. The federal government is thinking of taking up these cases also in order to avoid unfortunate scenes at the Belgrade Airport in connection with the detention and lengthy stay of a number of citizens from the Near and Middle East en route to Western countries. Aside from the observation that problems have existed for quite a long time, the FEC warns that a number of persons from those countries are entering Yugoslavia illegally. Thus, from the beginning of the year up to 1 April, 4,090 citizens of Afro-Asian countries were apprehended attempting to cross the border illegally into Italy or Austria, more than 1,000 of them from Sri Lanka. But last year more than 15,000 of these people en route to the West were refused entry, and 4,366 foreign nationals from 74 countries were sent back (3,730 of them from 16 Afro-Asian countries). This was the result of a tightening measure to prevent entry into our country of foreign nationals who are not tourists, but transit travelers, and an initiative was made to propose temporary suspension of the agreement abolishing visas for tourist travel of citizens of Sri Lanka, Bangladesh, and the Philippines.

In communicating with the competent republics and provincial authorities, the Federal Secretariat for Internal Affairs has been using the titles of those socio-political communities, while in legal and other official documents it has been using the titles established by the SFRY Constitution. The difference is explained by the enactment of new constitutions which alter the names of most of the republics. This statement by the Federal Secretariat for Internal Affairs was made to a follow-up question by Riza Aljaj, delegate in the Federal Chamber, as to why the name Autonomous Province of Kosovo and Metohija is used in documents of the Federal Secretariat for Internal Affairs and other federal administrative agencies. That is, are they required to respect the SFRY Constitution or adapt to the republic constitutions?

#### **Economic Trends With Foreign Countries**

91BA0824A Belgrade BORBA in Serbo-Croatian  
11 Jun 91 p 2

[Article by V.V.: "Slimmer Foreign Exchange Reserves"]

[Text] Belgrade—In the period January to April of this year, the trends in foreign economic relations were less

favorable than planned. Thus, the current balance of payments in the convertible area showed a deficit of \$1.3 billion, and even visible trade showed a quite large deficit, and in the area of foreign credit relations the envisaged use of credit was not achieved. Foreign exchange reserves are considerably lower than envisaged by the Projection of Yugoslavia's Balance of Payments for 1991. This is what the National Bank of Yugoslavia reported in its documents on the problems of implementing monetary and foreign exchange problems this year which it submitted yesterday to the SFRY Assembly.

These trends continued in May as well, so that foreign exchange reserves are down \$2.1 billion from the beginning of the year to 31 May. Because of the unstable political and economic situation in the country, there has been a considerably larger withdrawal of foreign exchange savings deposits of individuals, which is also contributing toward a further reduction of foreign exchange reserves. Since the beginning of the year, individuals have effectively withdrawn about \$968 million. In spite of further postponement of payment of obligations to the Paris Club in the amount of \$640 million, there has been a further reduction of foreign exchange reserves and a threat to the country's foreign exchange liquidity, so that at midyear we can anticipate a reduction of foreign exchange reserves of about \$2.5 billion. The situation is also aggravated by the uncertainty of the inflow of foreign exchange from tourism and remittances from workers abroad, as well as by the postponement of the conclusion of the standby arrangement with the IMF and financial support from other international financial organizations and creditors.

A growth of personal and public expenditure larger than was planned, the drop in industrial output, and the deficit in the federal budget make it necessary to reassess once again the projection of the country's balance of payments for 1991, as well as the proposed version of the decision on joint foreign exchange policy. The growth in bank lendings is also contributing to departures from the goals of economic policy that were set, especially the stabilization of prices. The ever greater indebtedness of the Federation to the National Bank of Yugoslavia (in the first four months, the Federation took 11 billion dinars of credit from the National Bank of Yugoslavia to bridge the uneven inflow of resources into the budget) indicates that again in the second half of the year the federal budget will be unable to meet its obligations without additional support—credit through primary note issue. The public debt, that is, obligations based on the deposited savings of individuals, constitutes an extremely complex problem for the federal budget and monetary policy. The Law on the Public Debt, adopted as a temporary measure, expired last December, and the new one is still going through Assembly proceedings. The forecasts indicate that the result in the drop of foreign exchange savings for this entire year could amount to almost 33 billion dinars.

The basic conclusion, the document observes, is that another reassessment needs to be made of all macroeconomic policies and the decisions and measures to implement them. It is obvious that the reference figures in the monetary plan must be changed, but trends like this cannot fail to have their characteristic influence on prices and the overall achievement of the antiinflation program, the National Bank of Yugoslavia warns.

### Slovene Bank Debts to Croatia Viewed

91BA0831A Zagreb VJESNIK in Serbo-Croatian  
14 Jun 91 p 6

[Interview with Ante Cicin-Sajn, governor of the National Bank of Croatia, by Nino Kosutic; place and date not given: "Is There a Threat of Economic Warfare Between Slovenia and Croatia?"]

[Text] [Kosutic] In your opinion, what would it mean for Slovenia to become monetarily independent not only from Yugoslavia, but also from Croatia?

[Cicin-Sajn] Although we still cannot examine all the details, so that the answer to your question is only a matter of speculation, what would happen if it can be stated with certainty that the economic consequences of Slovenia's monetary separation from Croatia would be very unfavorable for both Slovenia and Croatia. Perhaps even slightly more unfavorable for Slovenia. Given all the uncertainties that exist in that regard, it is certain that the consequences would be extremely unfavorable and could not be made up for in any foreseeable future.

[Kosutic] Could you enumerate them?

[Cicin-Sajn] There are at least three kinds of markedly unfavorable consequences of a possible monetary separation of Slovenia from Croatia. First of all, it is quite certain that there would be a very large drop in the present volume of trade in goods and services between the two republics, and there is nothing to offset that. At the same time, there would be a considerable drop in the quality of that trade; that is, mainly the lower quality products, those products which neither Slovenia nor Croatia would be able to sell on the convertible market of the advanced countries of the West, would be retained in that trade. Mainly only certain so-called local products would remain "in the game."

Second, because of the natural tendency to channel better-quality products to markets with better ability to pay, that reduced volume of mutual Croato-Slovene trade would inevitably have to be accompanied by a large amount of administrative effort on both sides. Because neither Croatia nor Slovenia would by themselves be in a position to establish a sound convertible currency in a short period of time, all trade between these two republics would have to come down to certain forms of intergovernmental trade, with all the adverse effects that accompany that practice.

This is similar to what we had in economic relations with the countries of East Europe, but without the active support of the relevant central monetary authorities, because they will be unable to create national currencies overnight. A problem arises in the form of monetary "independence" without one's own currency, and this problem area is worth examining if only as a kind of mental exercise, because it is certain that it could cause exceptional damage to both republics.

[Kosutic] Who in that case would be the "East"?

[Cicin-Sajn] Both Croatia and Slovenia would be in the position of East European countries, i.e., they would be thrust into the position of the former members of CEMA, who now are not achieving even the trade they once had. The consequence is a destruction of established trade flows.

Third, along with the drastic drop in current economic exchange, Slovenia's monetary independence from Croatia, linked to the erection of a strong border between the two republics, would also bring about a drastic drop in mutual trust both on the part of economic entities and also financial institutions. That would have an utterly adverse effect on the state of mutual capital and property relations.

[Kosutic] What does that actually involve? What would be the specific changes in economic relations between the two republics, and in what respect would they differ now from the picture of the future neighborliness of the two states which the public usually has and which, one must admit, is a bit idyllic and is aimed toward what we are usually referring to as the criteria of European civilization and European economic policy?

[Cicin-Sajn] Croatia's economy, i.e., businesses and the personal sector in this republic, use the financial services of certain Slovenian banks and foreign trade enterprises to a considerable extent. Following a possible monetary separation of Slovenia from Croatia, an immediate consequence must be that Croatian exporters and importers cease using the services of Slovenian export-import enterprises. That interruption, I emphasize, would have to be instantaneous, and there would understandably be very adverse effects on those enterprises in Slovenia, but there would also be numerous new problems for similar enterprises in Croatia, which overnight would have to find alternative routes in their foreign trade.

Similar, but even more serious consequences would be felt in banking, because there would be a definitive destruction and shattering of the confidence of the Croat savings depositors in branches of the Bank of Ljubljana in Zagreb. Put more precisely, on the instant that Slovenia separates monetarily from Croatia, the branch of the Bank of Ljubljana in Zagreb would in fact not be able to operate any longer.

[Kosutic] What would happen, if you can state it quite specifically, to that bank when even without Slovenia's

monetary separation its problems in Croatia are extremely great and serious?

[Cicin-Sajn] I cannot elaborate here all the relevant details, but it should be said that for the Bank of Ljubljana to become sound and independent in Croatia, Slovenia would have to set aside more than \$600 million, the amount it owes to savings depositors in Croatia. Because it is evident that Slovenia cannot furnish that money overnight even with the best will in the world. A series of very difficult and unpleasant questions arise in property law between the savings depositors and other customers of the Zagreb branch of the Bank of Ljubljana and its parent headquarters in Ljubljana. In the case of an actual monetary separation of Slovenia from Croatia, regardless of the future of overall mutual relations within the present Yugoslav community, all the problems would in a very short time take on the character of disputes of very large dimensions in the context of international law.

[Kosutic] Does that mean that events concerning the Bank of Ljubljana would spread beyond Yugoslav borders?

[Cicin-Sajn] Although we are talking about hypothetical reflections, evoked, it is true, by certain real indications coming from Slovenia, it is clear that the idea of Slovenia's complete monetary independence from Croatia is proving to be increasingly difficult to bring about. That should not be taken as a threat, but as a reflection concerning the possible problems in the more or less near future. The drastic loss of confidence of Croatian savings depositors in the capabilities of the Bank of Ljubljana and the Slovenian state to promptly discharge their obligations to them, probably would result in the spontaneous organization of those savings depositors in some sort of interest groups that would strive to satisfy their claims against the Bank of Ljubljana with court suits directed against its money or anything else, no matter where it is located in the world. Real estate, for example.

That means that those interest groups of savings depositors would probably file suit against the Bank of Ljubljana in all countries where they learn that the bank has its money. But even if the outcome of those suits is favorable, the savings depositors of the Bank of Ljubljana would not get full settlement, they would probably seek satisfaction through seizure of all accessible forms of Slovenia's property in Croatia. The scenario of that logical train of events of a unilateral monetary separation of Slovenia from Croatia is very gloomy. A quagmire of mutual conflicts and charges would be created such as has never existed before between Croatia and Slovenia.

If it does not occur in such a one-sided way, then Slovenia would nevertheless share the destiny of the joint space, although even in that case the solutions are not simple. Otherwise, a chain reaction would begin which we can confidently refer to as "economic warfare with unforeseeable dimensions."

[Kosutic] Has Slovenia offered Croatia some "softer version" in this regard?

[Cicin-Sajn] Although I did not take part in talks on Slovenia's monetary separation, I believe that the entire construct of unilateral separation would be disastrous. By contrast, in a working meeting in the National Bank of Croatia with representatives of the National Bank of Slovenia and a group of experts, we arrived at conclusions whereby the most effective short-term response to the truly unsatisfactory and unacceptable situation with the existing "unified" monetary system in Yugoslavia would be to systematically introduce a kind of parallel currency to the Yugo-dinar by agreement. In the working paper, we referred to this as the Euro-dinar. That currency would function parallel to the Yugo-dinar in the transitional period, and, assuming the appropriate technical arrangements, would gradually establish itself by virtue of its quality: that would either displace the

Yugo-dinar or bring about a fundamental turnover of the monetary policy on which it is based.

That kind of arrangement would be open not only to Croatia and Slovenia, but also to economic entities from the other republics which are truly oriented toward building an integral market economy, which has to be accompanied by an appropriate sound money policy.

[Kosutic] What is the fate of that project now?

[Cicin-Sajn] That project exists now only at the level of reflections of specialists, and there still has been no adequate political support. But from contacts with foreign trading partners, we see that they are very interested and would probably be willing to support such a solution. That is an alternative to the monetary separation of Slovenia and Croatia, and it would make it possible to eliminate all the defects of the present monetary system and build a different system without major upheavals.